

COPY NR. 1

U. S. AIR FORCE HISTORICAL STUDY NR. 63

ACQUISITION OF AIR BASE
IN LATIN AMERICA

JUNE 1939 JUNE 1943

RETURN TO
USAF Historical Archives
AS(ASHAF-A)
Maxwell AFB, Ala 36112

cy / CWS

DO NOT LOAN

BY

CAPT. BYNUM E. WEATHERS, JR.

SCANNED BY ISA

USAF HISTORICAL DIVISION
RESEARCH STUDIES INSTITUTE
MAXWELL AIR FORCE BASE, ALABAMA

0467652

5-133-1A

| Report Documentation Page | | | | Form Approved OMB No. 0704-0188 | |
|--|------------------------------------|-------------------------------------|---|---|---------------------------------|
| Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. | | | | | |
| 1. REPORT DATE 1943 | | 2. REPORT TYPE | | 3. DATES COVERED 00-00-1943 to 00-00-1943 | |
| 4. TITLE AND SUBTITLE Acquisition of Air Bases in Latin America June 1939 - June 1943 | | | | 5a. CONTRACT NUMBER | |
| | | | | 5b. GRANT NUMBER | |
| | | | | 5c. PROGRAM ELEMENT NUMBER | |
| 6. AUTHOR(S) | | | | 5d. PROJECT NUMBER | |
| | | | | 5e. TASK NUMBER | |
| | | | | 5f. WORK UNIT NUMBER | |
| 7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Air Force Historical Reserch Agency (AFHRA),600 Chennault Circle,Maxwell AFB,AL,36112-6424 | | | | 8. PERFORMING ORGANIZATION REPORT NUMBER | |
| 9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES) | | | | 10. SPONSOR/MONITOR'S ACRONYM(S) | |
| | | | | 11. SPONSOR/MONITOR'S REPORT NUMBER(S) | |
| 12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited | | | | | |
| 13. SUPPLEMENTARY NOTES | | | | | |
| 14. ABSTRACT | | | | | |
| 15. SUBJECT TERMS | | | | | |
| 16. SECURITY CLASSIFICATION OF: | | | 17. LIMITATION OF ABSTRACT Same as Report (SAR) | 18. NUMBER OF PAGES 413 | 19a. NAME OF RESPONSIBLE PERSON |
| a. REPORT unclassified | b. ABSTRACT unclassified | c. THIS PAGE unclassified | | | |

| | |
|----------------------|--|
| 101-2 JAN 10 1964 | RETURN TO: Director Aerospace Studies Inst ATTN Archives Branch Maxwell AFB, Alabama |
|----------------------|--|

5-15-14

0467652

USAF HISTORICAL STUDY NO. 63

ACQUISITION OF AIR BASES IN LATIN AMERICA
JUNE 1939 - JUNE 1943

By
Capt. Bynum E. Weathers, Jr.

USAF Historical Division
Research Studies Institute
Maxwell Air Force Base, Alabama

FOREWORD

This monograph describes the background, progress, and results of negotiations for the acquisition of airfields in Latin America for use by the Army Air Forces before and during the Second World War. Included in the study are the negotiations conducted by representatives of the Panama Canal Department and the Caribbean Defense Command in Panama and at other outlying sites in the Latin American area. Also included are the negotiations carried out by officials of Pan American Airways in conjunction with the establishment and improvement of airfields under the Airport Development Program. The study concludes with a treatment of the discussions with representatives of the United Kingdom and colonial officials in regard to the acquisition of air base sites in the British Caribbean Dependencies under the Destroyers-Bases Agreement.

The author of this monograph is Captain Bynum E. Weathers, Jr., formerly a member of the USAF Historical Division, who has specialized in Latin American affairs.

Like other Historical Division studies, this history is subject to revision, and additional information or suggested corrections will be welcomed.

CONTENTS

| | Page |
|---|------|
| I EFFORTS TOWARD THE ESTABLISHMENT OF A PROCEDURE FOR THE ACQUISITION OF PANAMANIAN DEFENSE SITES, NOV 1903 TO SEP 1940..... | 1 |
| Rio Hato Airfield | 6 |
| Ratification of the New Treaty | 13 |
| Modifications of the Draft Lease | 22 |
| Summary | 29 |
| II OCCUPATION OF PANAMANIAN AIRFIELDS UNDER THE DOUBLE BOARD SYSTEM PENDING A FINAL AGREEMENT OCT 1940 TO SEP 1941 | 34 |
| Establishment of the Land Lease Board | 42 |
| Occupation of Airfields in Panama | 51 |
| The Rio Hato Problem | 56 |
| Summary | 58 |
| III CONSUMMATION OF THE DEFENSE SITES AGREEMENT, OCT 1941 TO MAY 1943 | 61 |
| Effect of the Attack on Pearl Harbor | 67 |
| Ratification of the Defense Sites Agreement | 73 |
| Summary | 82 |
| IV ACQUISITION OF AIR BASES IN CENTRAL AND SOUTH AMERICA AND THE ANTILLES BY THE CARIBBEAN DEFENSE COMMAND | 85 |
| Bases in Ecuador | 89 |
| Bases in Peru | 102 |
| Bases in Costa Rica | 110 |
| Bases in Nicaragua | 112 |
| Bases in Cuba | 114 |
| Bases in the Netherlands West Indies | 116 |
| Bases in French Guiana | 119 |
| Summary | 121 |
| V THE AIRPORT DEVELOPMENT PROGRAM--BACK- GROUND AND WAR DEPARTMENT PARTICIPATION .. | 124 |
| Summary | 150 |

| | Page |
|--|------|
| VI THE AIRPORT DEVELOPMENT PROGRAM IN BRAZIL, MEXICO, AND CUBA | 152 |
| Brazil | 153 |
| Mexico | 165 |
| Cuba | 179 |
| Summary | 193 |
| VII THE AIRPORT DEVELOPMENT PROGRAM IN BOLIVIA, COLOMBIA, DOMINICAN REPUBLIC, DUTCH GUIANA, FRENCH GUIANA, GUATEMALA, HAITI, NICARAGUA, PARAGUAY, AND VENEZUELA | 198 |
| Bolivia | 198 |
| Colombia | 202 |
| Dominican Republic | 204 |
| Dutch Guiana | 205 |
| French Guiana | 210 |
| Guatemala | 217 |
| Haiti | 220 |
| Nicaragua | 222 |
| Paraguay | 225 |
| Venezuela | 229 |
| Summary | 235 |
| VIII THE DESTROYERS-BASES AGREEMENT: UNITED STATES AIR BASE SITES LEASED FROM THE UNITED KINGDOM | 237 |
| Evolution of the Base Sites Agreement | 237 |
| Antigua | 243 |
| Bahamas | 247 |
| British Guiana | 250 |
| Jamaica | 259 |
| Saint Lucia | 265 |
| Trinidad | 268 |
| Summary | 275 |
| FOOTNOTES | 277 |
| APPENDIXES | |
| 1. Draft "A" of Proposed Lease Agreement | 354 |
| 2. Draft "B" of Proposed Lease Agreement | 358 |
| 3. Draft of Agreement | 364 |

| | |
|--|------|
| | Page |
| 4. Draft of Agreement | 373 |
| 5. Letter to Ambassador of Panama with Memorandum | 380 |
| 6. Agreement for the Lease of Defense Sites in the Republic of Panama | 390 |

ILLUSTRATIONS

| | Page |
|--|-------|
| Map: Airfields in Panama Used by U. S. Military Aircraft (1931- 1941)..... | 3-A |
| Map: Major Air Bases in Panama During World War II | 81-A |
| Chart: Air Bases Acquired Under the Defense Sites Agree- ment of 18 May 1942 | 81-B |
| Map: Air Bases Acquired Through Caribbean Defense Command Negotiations | 109-A |
| Map: Land Bases in Latin America-Airport Development Program | 165-A |
| Chart: Land Airports Improved Under the ADP in Brazil, Mexico, and Cuba | 165-B |
| Chart: Land Airports Improved Under the ADP in Haiti, the Dominican Republic, Guatemala, Nicaragua, Colombia, Venezuela, Bolivia, Paraguay, Dutch Guiana, and French Guiana | 217-A |
| Map: Air Bases Acquired by the U. S. Under the Destroyer- Bases Agreement | 259-A |

Chapter I

EFFORTS TOWARD THE ESTABLISHMENT OF A PROCEDURE
FOR THE ACQUISITION OF PANAMANIAN DEFENSE SITES
NOVEMBER 1903 TO SEPTEMBER 1940

The Treaty signed by the United States and the Republic of Panama on 18 November 1903 set forth the original procedure for the United States to acquire in perpetuity the use, occupation, and control of lands situated outside the Canal Zone but within the Republic for defense purposes. Negotiation on the part of the United States for public land owned by Panama was not a prerequisite to its acquisition since the United States in effect possessed the right of eminent domain over public land. Private land in the Republic, by contrast, could be used by the United States only upon a suitable payment, based on a pre-1903 assessed land value, to the owner. The computation of the amount to be paid was determined by appropriate machinery in the Treaty.¹

Although the United States Army acquired minor tracts of land in Panama during and immediately after World War I, the practicability of the acquisition procedure provided for in the Treaty of 1903 received its most severe test when the United States took steps in the 1930's to acquire air bases throughout the Republic. As long as these sites were few in number, small in area, and located near the Canal Zone, the Treaty procedure adequately met defense needs,

but, with the development of modern aircraft and the demand for larger and more numerous airfields, more elaborate ground defenses, and wider dispersion of military units in the Panama Canal Department, the Treaty machinery proved to be too inflexible and time consuming to meet these new conditions adequately.

Before the arrival on 28 March 1917 of the 7th Aero Squadron, under Captain H. H. Arnold, no United States air units had been assigned to the Panama area.² For some 15 years afterwards, the Canal Zone facilities were adequate for the limited flying activities carried on by squadron aircraft. As early as the spring of 1931, Congressman W. Frank James, Chairman of the House Military Affairs Committee, inspected the Panama Canal Department and indicated the need for additional airfields in the Republic. Although the Chief of the Air Corps soon thereafter recommended that the War Department initiate a survey of air base sites in Panama, nearly two years passed before the War Department notified the State Department on 16 February 1933 of a military requirement for landing field sites within Panamanian territory. Specifically, seven sites were indicated: Belén in Colon Province, Jaque and La Palma in Darién Province, Puerto Mensabe in Los Santos Province, Almirante in Bocas del Toro Province, Mandinga and Perme in San Blas Province.

Roy T. Davis, United States Minister to Panama, notified the

USAFHS-63, Chap. I

3

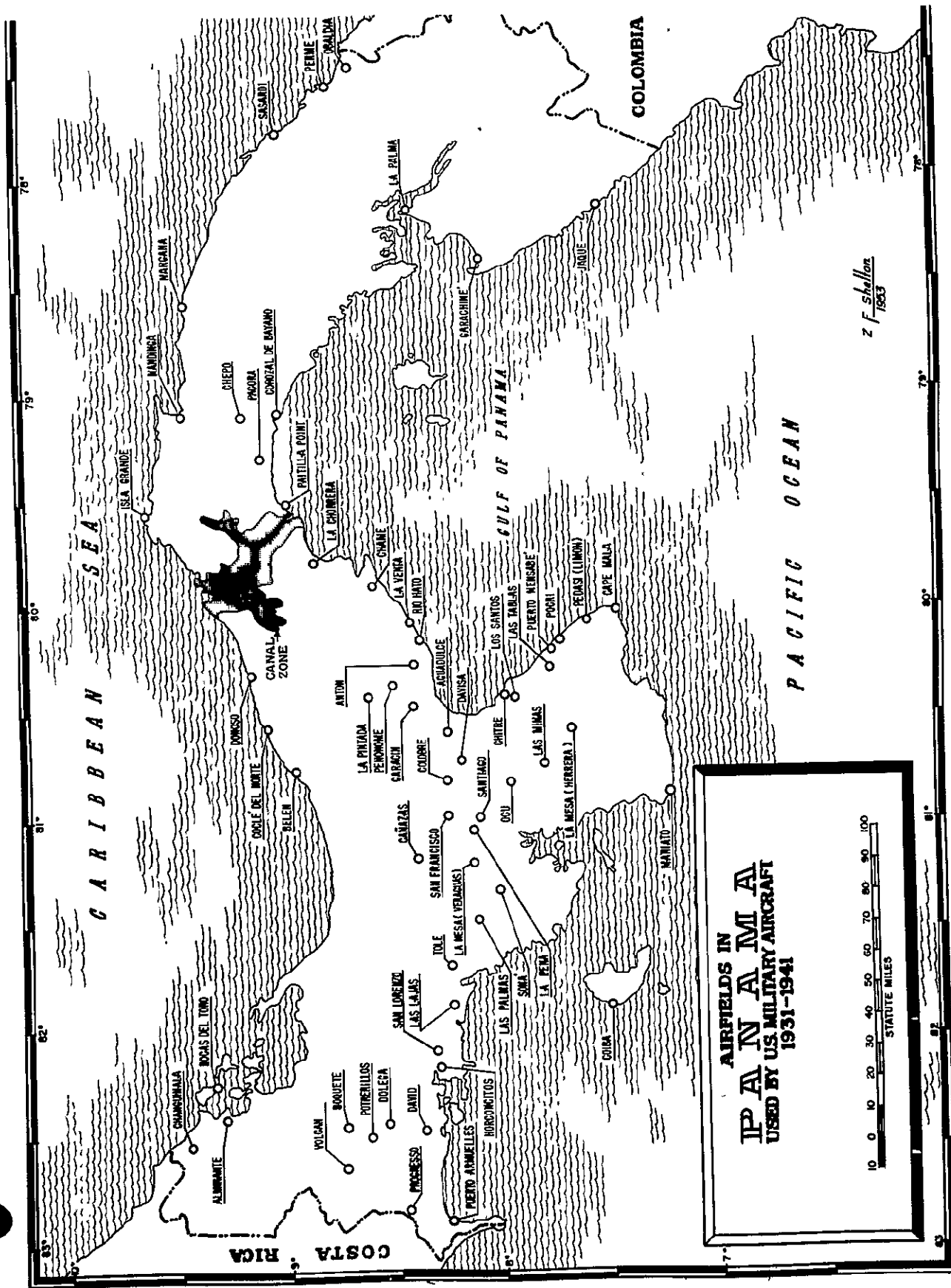
Panamanian Foreign Secretary, on 25 April that his government desired to lease the above air base sites for military use. Two days later, the Foreign Secretary replied

that the Government of Panama is disposed to enter into negotiations concerning this matter with Your Excellency's Government insofar as regards public lands which might be necessary for this purpose and has no objection to make to the renting of those which may be private property; it being understood that as Your Excellency stated, such landing fields will be open to official and private aviation of Panama.³

On 14 July 1933, the Secretary of War requested that the State Department authorize the American Minister to initiate and complete negotiations with the Panamanian officials for the use of the airfields.⁴ A few days later, Mr. Davis and Major General Preston Brown, Commanding General of the Panama Canal Department, met with the Panamanian Secretary of Government and Justice, and discussed the use of these sites. Since the airfield sites were located on private properties, no formal agreement between the two governments was necessary. There is no evidence, however, that any formal leases were executed at this time.

During the period from 1931 to 1941, the Air Corps used a total of 60 airfields in the Republic.* Except for Rio Hato, none of the sites was continuously operational and most of them remained in their original state of unimproved pasture land. Often a landing field would

* See map, p. 4.



be abandoned temporarily only to be restored to active use several years later. No attempt was made to keep accurate records on these fields until Major Robert C. Candee, Department Air Officer, began reconnoitering the sites during the summer of 1933 and compiling descriptive information for use by Air Corps pilots. Generally speaking, the landing fields were selected on the basis of availability rather than strategic location. As a rule, a prospective site would be located from the air, reported for further investigation, and surveyed by a ground team. If the aerial and ground surveys were satisfactory, arrangements would be made with the local land owner for the use of the property.⁵

While in accord with the procedure set forth by the Panamanian Foreign Secretary in his letter of 27 April 1933, the means employed to obtain the use of the 60 landing fields in Panama were quite informal. With the exception of Rio Hato, to be discussed later, it does not appear that any other formal leases were executed; presumably, certain informal contracts, either written or verbal, were made; for instance, an annual payment of \$600 was made to an individual for the use and maintenance of a landing field at Jaque which he had leased from the government of Panama. Both American and Panamanian officials had full knowledge of these transactions. On 21 June 1935, Major General H. B. Fiske, Commanding General of the Panama Canal

USAFHS-63, Chap. I

5

Department, informed the American Minister that certain Panamanian landing fields had been reconnoitered and improved. At another time, on 2 July, reports on 25 airfields were forwarded for transmission to the Panamanian officials. In acknowledging receipt of these reports, the Foreign Secretary expressed appreciation for the information transmitted.⁶

Although seldom followed in actual practice, the Panama Canal Department established a well defined procedure for acquiring defense sites in the Republic. If an air unit desired a particular airfield, the unit commander would forward a specific request for the parcel of land, accompanied by maps and justification of the need, to the commanding general. Upon his approval, the request would then be forwarded to the Governor of the Panama Canal Zone, who, in turn, would send all of the official documents to the Secretary of War for necessary action. After War Department approval, the commanding general would ascertain the availability of funds for the project and conduct a detailed survey of the proposed site. Maps and descriptions of the area would then be submitted to the Governor in the Canal Zone with a recommendation that expropriation proceedings be initiated in accordance with Article II of the Treaty of 1903. The Governor would notify the President of Panama that certain defined areas were "necessary and convenient for the construction, maintenance, sanitation, and protection of the

USAFHS-63, Chap. I

6

Panama Canal" and that a decree to this effect be promulgated. Upon the issuance of the official decree, no subsequent transfer of the subject areas for purpose of speculation was permitted.

If the property in question were owned by the Republic, no further negotiations were necessary. The process of land transfer would be completed, and the original requesting unit would be free to occupy and use the airfield. In the event that the subject property were privately owned, or occupied by squatters, the Governor would be required to make a direct settlement of damages with the owner before the Air Corps could take possession of the site.⁷ The cumbersome procedure involving the actions of numerous governmental agencies to a certain extent explains the rather frequent occurrences of semi-official arrangements between Army officers and Panamanian land owners for the use of desirable defense sites.

RIO HATO AIRFIELD

In so far as air activity in the Panama Canal Department was concerned, Rio Hato was the most important Panamanian air base used by the Army Air Corps prior to World War II. Equally as important, the negotiations with Panama for the lease of Rio Hato eventually led to the establishment of a procedure by which all other defense sites in Panama, both air and ground, were acquired by United States military forces. To properly understand this dual role,

USAFHS-63, Chap. I

7

it is necessary to examine the background and development of Air Corps interest in Rio Hato.

Serving first as an Army disciplinary camp during World War I and later as an artillery range, the Rio Hato site began to attract Air Corps pilots in the mid-1920's when Asger Kierulff, the owner, prepared a private landing strip and invited Canal Zone pilots to use it. By the spring of 1931, when the 6th Bombardment Group conducted its annual field exercises at Rio Hato, the landing field had approached a semi-official status within the Panama Canal Department. Major R. L. Walsh, Commanding Officer of the 16th Pursuit Group, recommended in 1934 that the field be officially considered as an operational base for the 19th Wing. This recommendation was prompted by Kierulff's offer to permit Air Corps use of the Rio Hato property without cost. Lieutenant Colonel W. C. McChord, Commander of the 19th Wing, concurred in the recommendation and the offer was accepted by Major Walsh. Having attained official Air Corps status through this gentleman's agreement, the Rio Hato landing field was improved and developed with funds provided by the 19th Wing.⁸

On 1 January 1935, the Air Corps formally leased a part of the Rio Hato property to be used by the 19th Wing for aerial bombing and gunnery purposes. The landing field was not affected and continued to be used by Wing pilots under the verbal agreement with Mr. Kierulff. The lease, originally for six months with an option of annual renewals

USAFHS-63, Chap. I

8

until 30 June 1939, stipulated that should the lessor sell the subject property in the interim, the lease would terminate automatically and the Air Corps would be obligated to vacate the property within 30 days. The lessee agreed to pay a rental fee of one dollar per year.⁹

During the early part of 1936, representatives of the 19th Wing made informal approaches to Mr. Kierulff about leasing the entire Rio Hato site, comprising approximately 19,000 acres, for a 99-year period. In August, Kierulff proposed that the United States might acquire the desired property either by outright purchase at the rate of \$18 per hectare (1 hectare is the equivalent of 2.471 acres) or by a 10-year lease with an option of extension for an identical period. The United States was given the choice either of making a down payment of \$5 (United States currency) per hectare and annual payments of 50 cents per hectare for each 10-year period, or, of simply making an annual payment of \$1 per hectare without a down payment. Kierulff stipulated that, if the lease arrangement were agreed upon, the United States would be obligated to pay property taxes on the site directly to the Panamanian Government, and, if the value of the United States dollar depreciated in terms of the Panamanian balboa, the United States would have to pay the difference to the lessor.¹⁰

Meanwhile, a new treaty had been signed by the United States and Panama on 2 March 1936. Its basic provision was that the defense

of the Panama Canal and the allied requirement of acquiring land outside the Canal Zone were to be mutual responsibilities of both governments.¹¹ In practice, this meant that the United States would lose its apparent right of eminent domain with respect to use of Panamanian territory as provided in the Treaty of 1903. Although ratifications were not exchanged until 27 July 1939, the mere signing of the Treaty exerted considerable influence on the character of negotiations between the United States and Panama for the acquisition of defense sites. From this time forward, the United States officials, both civilian and military, formulated and discussed land acquisition proposals in the light of their adaptability to the new treaty.

On 6 May 1937, Major General David L. Stone, Commanding General of the Panama Canal Department, recommended to the War Department that the entire Rio Hato property be purchased and developed by the United States. Although the existing lease arrangement was satisfactory, the General felt that military interests would be adversely affected if the lessor should die or ownership of the property change hands. General Stone suggested that, before the purchase was consummated, Panama agree to United States police jurisdiction over the Rio Hato area (without impairing Panamanian sovereignty) and to the exemption of the United States from all taxes in return for the use of Rio Hato airfield without charge by Panamanian aircraft. Assurance was given that the Rio Hato property could be purchased, under the

conditions stipulated above, within the letter and spirit of the Treaty of 1936.¹²

In July, Mr. Kierulff informed General Stone that certain parties had expressed an interest in purchasing a part of the Rio Hato property and that these offers were being given serious consideration. In order to prevent Air Corps activities from being interrupted in this area, Kierulff suggested that either the 1935 lease be amended or a new contract be executed providing for an increased rental fee. Should a new contract be signed, Kierulff proposed that the term of occupancy be for five years with a rental fee of \$200 monthly. Under this arrangement, all rental payments would be applied to the purchase price of the property should the War Department decide to buy the land at a later date. Kierulff was willing to bind himself to retain ownership of the property during the life of the lease or until the War Department released him from this pledge. General Stone incorporated these terms in a new lease and forwarded it to the War Department. He urged immediate approval of the proposed lease observing that, should the new treaty be ratified, the Air Corps would be restricted in its use of Rio Hato under the existing lease, and, that, should the property be sold to other interests, the Air Corps would have a difficult time securing a comparable location at a reasonable cost for its training operations.¹³

During the fall of 1937 the War Department granted approval and the lease for the entire Rio Hato site was signed on 1 January 1938. Since the War Department prohibited land agreements extending beyond one fiscal year, the duration of the lease was established on a year-to-year basis with renewal options through 31 December 1942. It was further provided that the United States would be permitted to purchase the Rio Hato tract for \$18 per hectare.¹⁴

While acknowledging that the new lease provided a temporary safeguard for United States military interests at Rio Hato, General Stone nevertheless felt that the outright purchase of the site was necessary for permanent protection of these interests. He reiterated this position to the War Department on 5 August 1938 and also pointed out that a Panamanian bank held a mortgage against the Rio Hato property which, in the event of a foreclosure, would deny the area to the Air Corps. Since the new treaty (that of 2 March 1936) was not yet effective, General Stone suggested that the War Department obtain Congressional authority to purchase Rio Hato under the provisions of the Treaty of 1903. The General had found the Panamanian President and his advisors sympathetic to the purchase of the property by the United States.¹⁵

On 5 October 1938, General Malin Craig, War Department Chief of Staff, informed General Stone that, in his opinion, the

purchase of Rio Hato was not absolutely essential for defense plans. Aside from budgetary reasons, General Craig felt that, in the event of war or an emergency, the Army would be entitled to use any land in Panama for defense purposes under the 1903 Treaty, that other landing fields in the Republic near Chiriquí were available to the Army, and that, in the case of a mortgage foreclosure, the United States as lessee could exercise its legal right of purchasing the mortgage. In the meantime, General Craig advised that the existing Rio Hato arrangement remain unchanged.

Two weeks later, General Stone appealed to General Craig for a reconsideration of his position. He pointed out that the concept of outlying air bases, a fundamental feature of Panama Canal defense strategy, stood in danger of extinction if, under the new treaty, some future Panamanian administration failed to cooperate with the military authorities in the Canal Zone. This apprehension was not expressed in regard to the existing administration in Panama since it had recognized and approved the air base concept. General Stone observed that not only were no suitable airfields available in the Chiriquí area but that none existed for a 300-mile distance between the Canal Zone and the town of David in western Panama. The General regarded Rio Hato as indispensable for Air Corps' expansion in the Panama Canal Department because of its potentiality for extensive development and

its capabilities for all-weather operations--features which even the permanent air bases in the Canal Zone did not possess.¹⁶

RATIFICATION OF THE NEW TREATY

In January 1939, the War Department informed the Panama Canal Department that \$220,000 had been earmarked for the establishment of Panamanian air bases under the Air Corps Augmentation Program. A list of proposed sites with supplementary information was requested for use by the War Department in discussions with the State Department. Brigadier General H. A. Dargue, Commanding General of the 19th Wing, compiled the information and incorporated an order of priority for the acquisition and development of these airfields. On 1 February, General Stone forwarded to the War Department a list which included the following airfields, listed in order of priority:

(1) Rio Hato, 19,000 acres, privately owned; (2) Jaque, approximately 3/4 square mile, privately leased from Panama; (3) Almirante, approximately 3/4 square mile, privately owned; (4) Perme, approximately 3/4 square mile, no record of ownership; (5) La Chorrera, one square mile, owned by Panama; (6) La Joya, approximately 3/4 square mile, privately owned; (7) Pocri, approximately 3/4 square mile, owned in large part by Panama; (8) Garachine, approximately 3/4 square mile, no record of ownership; (9) La Mesa, approximately 3/4 square mile, owned by Panama; and (10) Mandinga, approximately

USAFHS-63, Chap. I

14

3/4 square mile, no record of ownership. It was estimated that at least six months would be required to search the titles and conduct surveys for the above sites.¹⁷

The airfield situation in the Panama Canal Department was truly critical in early 1939. General Dargue observed that only Albrook and France Fields in the Canal Zone and two commercial airfields in the Republic, Paitilla Point and David, existed throughout the entire Panama Canal area. Paitilla Point, near Panama City, was suitable only for emergency landings while the airfield at David had a natural sod runway and was used chiefly by Pan American Airways. Within the Republic, a number of emergency landing fields, amounting to little more than pasture land, had been used by Department aircraft at various periods but no more than six were maintained at government expense at any one time. General Dargue observed that Rio Hato was the one field, among all of those recommended, where the most extensive improvements should be undertaken.¹⁸

Before opening discussions with the State Department, the War Department queried General Stone in late February for his opinion on the most appropriate procedure to be used in the acquisition of land from Panama in view of the impending treaty. The General immediately suggested that he, in collaboration with the American Minister and the Governor of the Panama Canal Zone, be authorized to conduct the

necessary negotiations directly with the President of Panama or his representatives. He noted that informal conversations with prominent Panamanian officials on previous occasions had convinced him that such a procedure would expedite the acquisition process.¹⁹

A few days later, General Stone, in company with the American Minister, learned through informal talks with a Panamanian official that while the Constitution of Panama prohibited the sale of public land (as distinguished from private) to foreign countries there was no similar prohibition against leasing public land to a friendly government on a long-term basis. The official felt that the United States might acquire necessary defense sites under a 999-year lease with his government and thus avoid raising the delicate issue of national sovereignty. General Stone liked the idea of a long-term lease, particularly since references to treaties could be eliminated, and he urged the War Department to pursue this approach.²⁰

One of the most important events to occur in the history of United States - Panama relations took place on 27 July 1939 when the two governments exchanged ratifications and the President of the United States proclaimed the Treaty of 2 March 1936 to be effective.²¹ It was recognized that Panama had faithfully complied with the obligations set forth in the Treaty of 1903. Under the new treaty, the United States renounced its right to acquire land in the Republic by perpetual grant

and the protection of the Panama Canal became a joint obligation of both governments. Should Panamanian territory be required for defense purposes, the United States and Panama would "agree upon such measures as it may be necessary to take in order to insure the . . . effective protection of the Canal."²²

In the event of war or a threat of aggression against the Canal, both governments would "take such measures of prevention and defense as they may consider necessary for the protection of their common interests." The extent of the defense measures would be determined by the United States and Panama after consultations.²³ Under the terms of the Treaty of 1903, the United States was unrestricted in its use of Panamanian territory for defense purposes and a reluctance to lose this freedom of action was apparently responsible for the long period intervening between signature and ratification of the new treaty by the United States Senate. The deadlock was broken by an exchange of notes, attached to the treaty, between the Secretary of State and the Panamanian Minister to the United States on 1 February 1939 which provided that: in the event an emergency should arise so suddenly as to preclude consultations with Panama, the United States would not be required to delay action pending consultation, but she would be obligated to consult with Panama as soon as possible thereafter.²⁴ It has been observed that the exchange of notes may in the future become "one of

USAFHS-63, Chap. I

17

the most salient achievements of the negotiations connected with the General Treaty."²⁵

During the spring and summer of 1939, General Dargue reviewed and revised the airfield requirements in Panama. On 19 August, he submitted a new list to the War Department which included the following 14 air bases, listed in order of priority: Rio Hato, Pocri, Garachine, David, Almirante, Perme, La Chorrera, La Joya, Mandinga, Jaque, Chame, Aguadulce, La Mesa, and Las Lajas. Four new airfield sites had been added to the list of 1 February: David, Chame, Aguadulce, and Las Lajas. On 24 August, the War Department General Staff recommended the acquisition of the ten Panamanian airfields specified in General Dargue's report of 1 February. The revised recommendation of 19 August, including the four new sites, arrived too late for War Department consideration. Subsequent negotiations between the United States and Panama were based on the original request for ten airfields.²⁶

Observing that Congress had appropriated \$400,000 in July for the acquisition of Panamanian airfields, the Commanding General of the Panama Canal Department in August asked William Dawson, United States Ambassador to Panama (the American legation was elevated to Embassy status in March 1939), to initiate steps for the acquisition of Rio Hato, either by purchase or a 999-year lease.

As soon as the remaining airfields were surveyed, General Stone wanted similar action to be taken with respect to them. Ambassador Dawson replied that negotiations could not begin until the State Department forwarded instructions on the proper procedure to be employed in the acquisition process. The Ambassador gave the same response when asked by General Stone to obtain permission from Panama for his command to survey the remaining airfields in the Republic.²⁷

General Stone did not feel he was making sufficient progress with Ambassador Dawson so he approached the War Department in the hope that a direct appeal in his behalf might be made to the State Department. In September, the Secretary of War informed the State Department that a military need existed for the acquisition of ten Panamanian airfields under a 999-year lease. Shortly thereafter, the State Department set forth its official views on land acquisition under the terms of the Treaty of 1936:

In accordance with the terms of the Treaty of March 2, 1936, particularly Art. II thereof, the Department of State holds that the acquisition by lease of the ten tracts of land in question as well as of such further tracts of land in the Republic of Panama as may in future be required by the War Department or its agencies for the defense of the Panama Canal should be effected through direct negotiations between the two Governments rather than through negotiations conducted by the United States with private individuals or companies owning title to such lands. Indeed, this Department understands that the first-mentioned course would be required by the applicable laws of Panama, or, at least, would be in accordance with the practice in such matters.²⁸

At the instigation of General Stone, a meeting of the Department

Judge Advocate, the General Counsel for the Governor of the Panama Canal Zone, and the First Secretary of the American Embassy, was held in early September to discuss methods for obtaining leases on the Panamanian airfields. The conferees worked on the assumption that, in view of War Department silence, General Stone's proposals for the terms and conditions of the leases, as well as the degree of jurisdiction required by the United States at the sites, would govern until the contrary was indicated. It was also noted that the State Department had failed to stipulate either the form of lease or the representatives of the governments to negotiate for the sites.

Working on the above assumption, the conferees proposed that two instruments be used for the acquisition of the Panamanian sites: the first would grant full jurisdiction over the sites to the United States without affecting Panamanian sovereignty, and the second would consist of the lease proper. This plan had been employed in 1903 by the United States in the acquisition of certain lands from Cuba. In order to eliminate title examinations and the payment of property taxes to the Republic, it was recommended that Panama obtain titles from the owners and then lease the tracts to the United States. If arrangements were made for the purchase of Rio Hato, a lump sum payment was preferred to a computation of cost at the rate of \$18 a hectare since an exact determination of the area would present difficulties.

As a final act, the conferees on 28 September submitted a draft lease to the Commanding General of the Panama Canal Department which contained the following points: (1) the Panamanian airfields would be leased for a period of 999 years, (2) the United States would have the right to use and improve the waters adjacent to the holdings, (3) the United States and Panama would share equal rights with respect to the use of the airfields, and, (4) without impairing the sovereignty of Panama, the United States would have control and jurisdiction over the airfields as long as the Army occupied them.²⁹

In early September 1939, the Secretary of War requested the State Department to issue instructions to the American Embassy in Panama advising the Ambassador to assist the Commanding General of the Panama Canal Department on local procedural questions and other matters related to the acquisition of the airfields. In mid-September, Sumner Welles, Under Secretary of State, advised Ambassador Dawson after consultation with General Stone to approach the proper Panamanian officials with respect to obtaining the ten airfields by 999-year lease.³⁰

General Stone submitted a copy of the draft lease in early November to Ambassador Dawson, who, in turn, forwarded it to the State Department. Assured that Panama would be unwilling to confer exclusive jurisdiction upon the United States as stipulated in point four

of the draft lease, the State Department suggested that the United States, while reserving exclusive jurisdiction over the military personnel within the leased areas, retain only the power to deliver intruders to Panamanian authorities for trial. It was also recommended that, after signature of the lease, the Panamanian legislature should agree to enact legislation which would make it a serious offense to enter the leased areas illegally. As an additional safeguard, the State Department proposed that the United States reserve the right to request exclusive jurisdiction in the future should the proper maintenance, sanitation, or efficient operation and defense of the Canal be jeopardized.³¹

The draft lease, accompanied by the State Department's comments, was forwarded to the War Department in December. The Judge Advocate General agreed with the State Department that point four of the lease should be amended. He proposed that civilians and families of military personnel residing in the leased areas be placed under the exclusive jurisdiction of the United States and that all Americans, both military and civilian, in the defense sites be exempted from taxes imposed by the Republic. The Judge Advocate questioned a promise by the Panamanian authorities that their National Assembly would enact legislation to protect the security of the leased areas, or that, if enacted, whether such laws would necessarily be in force indefinitely and would be adequately enforced. The Judge Advocate recommended that a provision be incorporated in the lease permitting

the United States to request exclusive jurisdiction at a future date if the divided jurisdictional arrangement failed to function properly.³²

The Quartermaster General favored a qualification of point three providing for equal use of the airfields by the two governments. He proposed that: (1) Panamanian aircraft be restricted to emergency or occasional use of the airfields, (2) United States aircraft have primary and Panamanian aircraft secondary use of the airfields, (3) air operations over the leased areas be restricted and controlled by the United States, and (4) the United States be relieved of responsibility for personal injuries or property damages while the leased areas remained under her jurisdiction.

After an intensive study of the draft lease, the War Department forwarded copies with comments and recommendations to the State Department on 3 February 1940 and to the Commanding General of the Panama Canal Department four days later. The Secretary of War requested the State Department to withhold further action on the lease until the amount of rent for the sites had been determined.³³

MODIFICATIONS OF THE DRAFT LEASE

While the draft lease was being discussed in Washington, Major General Daniel Van Voorhis assumed command of the Panama Canal Department on 8 January 1940. Previously, discussions had centered chiefly around Rio Hato, the most important site in Panama Canal

defense plans outside of the Canal Zone proper. Little, in fact, was known about the remaining nine airfields since they had not been surveyed. Recognizing the strategic value of Rio Hato, General Van Voorhis notified the War Department on 15 January that he wished to make the Rio Hato lease a model for all subsequent acquisitions of Panamanian defense sites.³⁴ This concept is reflected in all later negotiations with Panama.

In early February, representatives of the State and the War Departments met to consider the draft lease. As a result of several interdepartmental meetings, a more comprehensive agreement known as Draft "A"* was submitted to the Secretary of War on 16 February 1940 for approval.³⁵ After careful study, General Van Voorhis informed the War Department on 6 March that Draft "A" was satisfactory except for Article Four which failed to grant sufficient jurisdiction to the United States over the airfields to protect United States interests adequately. According to the General, exclusive jurisdiction and control were of prime importance since these sites would be developed extensively at government expense and occupied permanently by Army personnel. Van Voorhis interpreted Article II of the Treaty of 1936 to mean that, while a new method of acquiring land in the Republic was provided, the degree of jurisdiction possessed by the United States over such land as implied in the Treaty of 1903 remained unchanged. Article II, in other words, provided a new method of land acquisition without changing the jurisdictional aspect of such acquisition in the view of General Van Voorhis. Finally,

* See Appendix No. 1.

the General noted that the airfields under discussion were uninhabited and the matter of relinquishing rights of Panamanian Nationals was not involved. The Governor of the Panama Canal Zone concurred in this viewpoint.³⁶

Without awaiting General Van Voorhis' comments, the War Department notified the Secretary of State on 8 March that Draft "A" was acceptable for use in acquiring the Panamanian airfields. Upon receipt of General Van Voorhis' views a few days later, the War Department reconsidered the proposed lease and requested the State Department to withhold War Department approval of Draft "A" until further notice.³⁷ The State Department complied but, at the same time, attempted to allay the fears of the War Department over the jurisdictional question by calling attention to a note written by the Secretary of State to the Panamanian Treaty Commission of 2 March 1936:

In connection with the treaty signed today and the exchange of notes accessory thereto we have the honor to confirm the understanding we have reached during the negotiations that wherever the provisions of the said treaty and the statements contained in the accessory notes refer to the Canal Zone, such provisions and statements are applicable to all such lands and waters as may be used, occupied or controlled by the United States of America.³⁸

The State Department indicated that the note might be interpreted to mean that any lands acquired by lease automatically would come under the exclusive jurisdiction of the United States.

Before the War Department had an opportunity to consider the note of 2 March 1936, the State Department in early May 1940 reversed

its interpretation of the accessory note and held that it did not convey exclusive jurisdiction to the United States over the Panamanian airfields. The State Department likewise felt that any attempt on the part of the United States to secure exclusive jurisdiction at this time would be strongly opposed by Panama. In view of this development, the War Department informed General Van Voorhis on 9 May that it would be impractical to insist on exclusive jurisdiction and, consequently, that the War Department was proceeding with negotiations as outlined in its letter of 3 February 1940.³⁹

General Van Voorhis was disappointed by the War Department's failure to recognize the importance of maintaining exclusive jurisdiction over the Panamanian defense sites, and at his request the War Department convened a conference in Washington on 24 May to discuss the jurisdictional problem. Participants in the conference included representatives of the War Plans Section of the War Department General Staff, the Judge Advocate of the Panama Canal Department, and the Executive Secretary to the Governor of the Panama Canal Zone. The conferees concluded that the United States should have exclusive jurisdiction over all persons on the leased defense sites except Panamanian citizens. The State Department accepted this recommendation.⁴⁰

On 20 June, the Secretary of War notified the State Department that, in view of the objectionable feature of Article Four, War Department

approval of Draft "A" was withdrawn and a new revision, Draft "B,"* was submitted for consideration. Draft "B" differed from Draft "A" with respect to Article One which provided for a 99-year (instead of 999-year) lease, and Article Four which incorporated the compromised jurisdictional proposal, as follows:

The Republic of Panama retains its sovereignty over the above-described areas of land and water but nevertheless consents that during the period of the occupation by the United States of said areas under the terms of this agreement, the United States shall have complete use of said areas, exclusive jurisdiction over military and civilian personnel of the United States, and their families, and over all other persons within these areas except citizens of the Republic of Panama. THE JURISDICTION OVER SUCH CITIZENS AS WELL AS OFFENSES COMMITTED BY THEM TO REST WITH THE REPUBLIC OF PANAMA.

THE FOLLOWING TO BE DELETED:

It is understood and agreed by and between the parties hereto that within a reasonable time after the signing of this agreement the Government of the Republic of Panama will enact and keep in force adequate legislation to insure the prosecution, and severe punishment in case of conviction, of all citizens of the Republic of Panama for offenses committed within the said areas and conferring jurisdiction for the trial of offenders upon the superior courts of the said Republic to the exclusion of all inferior courts of the said Republic. It is further understood and agreed that if this Article Fourth does not prove satisfactory for the maintenance, sanitation or efficient operation of the Canal or for its effective protection, the United States reserves the right to request of the Republic of Panama the exclusive jurisdiction over the above-described areas.

The State Department approved Draft "B" on 3 July but observed that the Ambassador in Panama would not be authorized to initiate

* See App. No. 2.

negotiations until his comments on the draft had been received. After consultations with the Ambassador, General Van Voorhis on 11 July recommended approval of Draft "B."⁴¹

During the spring of 1940, Panama Canal defenses drew increased interest from Washington. Beginning with a visit by General George C. Marshall on 9 February, the Panama Canal Department was host to several distinguished officials. While on a Caribbean cruise, President Roosevelt inspected the Department on 27 February. General H. H. Arnold, Chief of the Army Air Corps, surveyed defense sites in both the Canal Zone and the Republic on 8 May and held lengthy conferences with General Dargue on future plans for establishing air bases in Panama. The Congressional Military Affairs Committee made an inspection of military defenses on 17 July. Of all these visits, however, the one by General Arnold had the most far-reaching impact on the acquisition of Panamanian airfields. By gaining an on the scene understanding of local problems in the acquisition process, General Arnold was able to exert his influence in the War Department for the expeditious transfer of the Panamanian airfields to the control of the Air Corps.⁴²

Ambassador Dawson first presented Draft "B" to the Panamanian Foreign Office on 16 July 1940, and requested its submission to President Augusto Boyd for early consideration. The absence of the Foreign Secretary, however, made it necessary for the Ambassador to resubmit the draft to the Foreign Office in mid-August. Soon after the Panamanian

USAFHS-63, Chap. I

28

national elections in mid-September, President Boyd and his Foreign Secretary discussed the proposed draft lease with General Van Voorhis and Ambassador Dawson. No concrete decisions were reached at this meeting because the outgoing President was hesitant to commit the incoming Arias administration to definite proposals concerning the Panamanian defense sites.⁴³

In the meantime, the Emergency Landing Field Project Board (appointed by the Commanding General of the 19th Wing on 28 September 1939) submitted its findings to General Dargue on 30 July 1940. Composed of four officers under the leadership of Lieutenant Colonel Francis M. Brady, the Board met to determine specific locations and general boundaries of Panamanian airfields to be acquired by the United States. Based on the Auxiliary Landing Field Project approved by the War Department on 24 August 1939, the Board's recommendations for sites were identical with those proposed by General Dargue in a letter one week earlier and substantially in accord with his recommendations of 23 January 1939. They were: (1) Auxiliary Bases - David (National Airport), Chame, Aguadulce, Garachine; (2) Auxiliary Fields - Jaque, Pocri, Las Lajas, La Chorrera, La Jolla (La Joya), Changuinola; and (3) Emergency Fields - David (new site), La Mesa. Since Rio Hato was already available for Air Corps use, it was obviously omitted from the above list.⁴⁴

On 9 October, the War Department radioed General Van Voorhis to take immediate action toward the preparation of the Panamanian airfields. A few days later, General Dargue noted that the development of the subject airfields, except for minor improvements, had been delayed by the failure of the Panamanian authorities to permit Army occupation of the defense sites. As yet, no government funds had been expended on the airfields at Las Lajas, La Mesa, and La Joya. Minor improvements had been made at Pocri, Chame, Aguadulce, and La Chorrera. Changuinola (Almirante Bay), located on privately leased property, had fallen into disuse over the past two years. Jaque, situated on public land leased to an individual, had been leased for \$600 per year. The Army had spent \$400 to make a trail to Garachine to determine its feasibility as a defense site. Over \$10,000 had been used to improve the strategic site at Rio Hato. Dargue observed that \$600,000 would be needed to develop the 12 airfields as recommended by the Auxiliary Landing Field Project Board.⁴⁵

An agreement with Panama on the terms of the air base leases was as yet far from consummation when President Boyd was succeeded by Arnulfo Arias in October 1940.

SUMMARY

The original procedure for the acquisition of defense sites in Panama was contained in the Treaty of 18 November 1903 which, in

practical application, gave the United States the right of eminent domain over territory of the Republic required for military purposes. Nearly 15 years intervened between the signing of the treaty and the arrival of the first air unit in the Canal Zone in early 1917. A second 15-year period passed before the War Department took official action in the spring of 1933 to meet Air Corps requirements for airfields beyond the Canal Zone. The passage of time had rendered the original acquisition procedure obsolete and inappropriate in the era of the Good Neighbor Policy.

The first indication of a change in the existing land acquisition procedure was provided by the Panamanian Foreign Secretary in April 1933 when he noted that the use of public lands in the Republic for airfields would henceforth require negotiations with his government. The United States, however, would be permitted to negotiate directly with the owners for the use of privately owned tracts for military purposes.

The signing of the Treaty of 2 March 1936 represented a major revision in the relations of the United States and Panama. It established reciprocity and introduced an era in which the security of the Panama Canal became a matter of mutual concern and measures for its protection no longer rested exclusively with the United States. Although three and one-half years intervened between signature and ratification,

the provisions of the new treaty made it necessary for current practices under the former land acquisition procedure to be reappraised and evaluated.

In September 1939, following ratification of the new treaty on 27 July, the State Department held that, according to its interpretation of the treaty, land required for defense purposes in Panama could be obtained only by direct negotiations between the two governments. Prior to this time, the Air Corps had leased only one defense site in the Republic, Rio Hato airfield, and it had been obtained through negotiations with the owner. Rio Hato assumed a role of major importance in Air Corps training operations and was considered to be indispensable for a proper air defense of the Panama Canal.

Major General David L. Stone, Commanding General of the Panama Canal Department, had been a strong advocate for the purchase of the Rio Hato site by the United States. The War Department, however, did not consider the purchase of the site to be absolutely essential for Panama Canal defense plans. Budgetary considerations and reliance on the provisions of the 1903 treaty appeared to be the primary factors affecting this decision. General Stone continued to advocate the purchase of Rio Hato and observed prophetically in the fall of 1938 that the security of the Canal Zone would be endangered if, under the 1936 treaty, an uncooperative administration should come to power in Panama.

After funds became available for the establishment of Panamanian airfields under the Air Corps Augmentation Program, General Stone selected 14 sites, including Rio Hato, for acquisition proceedings and submitted these requirements to the War Department between February and August 1939. This information was used in discussions with the State Department as to the proper procedure to be used for land acquisitions under the new treaty. By this time, General Stone had become convinced that a 999-year lease would be preferred to an outright purchase of the Rio Hato site since the sensitive issue of Panamanian national sovereignty would be avoided.

Discussions between the War and State Departments had been in progress for nine months but, as yet, significant results had not been produced. In view of War and State Department silence on the form of lease, as well as silence by the participants in the negotiations with Panama, General Stone took the initiative by calling a conference in September 1939 to discuss methods for acquiring the Panamanian defense sites. Out of this conference came a draft lease which served as a beginning point for discussions in Washington between the War and State Departments and in Panama between General Stone and Ambassador Dawson.

From November 1939 to February 1940, the draft lease was the subject of an intensive study on the part of the War and State Department

representatives. In the meantime, Major General Daniel Van Voorhis became the new Panama Canal Department commander. In February 1940, Draft "A" was introduced by the State Department but the War Department raised objection to the jurisdictional features of this instrument. The War Department, in turn, submitted a revised Draft "B", to the State Department in June 1940 which differed from the earlier draft agreement in its provision for a 99-year lease instead of a 999-year tenure and a limited jurisdictional proposal rather than a more exclusive one.

For a period of almost two years, from early 1939 to the fall of 1940, discussions on the procedure to be used for the acquisition of land in the Republic had been conducted solely by agencies of the United States Government. The official attitude of Panama toward Draft "B" was as yet unknown.

Chapter II

OCCUPATION OF PANAMANIAN AIRFIELDS UNDER THE
DOUBLE BOARD SYSTEM PENDING A FINAL AGREEMENT
OCTOBER 1940 TO SEPTEMBER 1941

The fall of 1940 was crucial for the United States. After the conquest of France and the Low Countries by Germany in May and June 1940, only Great Britain remained to stem the tide of Nazi aggression. This unfavorable international climate caused United States military authorities to place the defense of the Western Hemisphere second in importance only to the defense of the United States proper. The Monroe Doctrine, well rooted in American foreign policy, appeared to be endangered; consequently, the American public, as well as its military leaders, became acutely aware of the need for military bases to protect the Panama Canal. When Japan joined Germany and Italy in signing the Tripartite Pact on 27 September 1940, the Panama Canal area became, more than ever, vital to the defense of the western continents.¹

On 2 October 1940, Arnulfo Arias was inaugurated as President of Panama. In his inaugural address he complained that United States military forces had occupied Rio Hato and other defense sites in the Republic without having concluded a binding agreement with the Panamanian Government. American officials were apprehensive

because Arias had formerly been Minister to Rome and had been accused of pro-Axis leanings by certain liberal circles.²

Soon after the inauguration of Arias, Ambassador Dawson presented Draft "B" to the new President for consideration. By mid-October, the Panamanian Foreign Secretary had received from the Ambassador a list of 71 defense sites, including the 12 airfields recommended by the Emergency Landing Field Project Board, desired by the United States. An early attempt by the Ambassador to arrange a meeting with the President to discuss Draft "B" failed to materialize. President Arias informed Ambassador Dawson that consultations with the Foreign Secretary would be necessary before a meeting with the executive could be arranged.

Accordingly, Ambassador Dawson and General Van Voorhis met with the Foreign Secretary in mid-October. After the General had indicated on a map the specific defense sites required by his command in the Republic, the Foreign Secretary proceeded to charge the United States with occupying Panamanian sites without proper authorization. A check of these sites revealed, however, that they had either been discussed with Panamanian officials previously or had been processed to a limited extent under the land acquisition procedure set forth by the Panamanian Foreign Secretary in his letter of 27 April 1933. The Foreign Secretary replied that the authority bestowed by

the earlier regime was not recognized by the Arias Administration and that no definite commitments could be made in regard to the defense sites until President Arias was consulted.³

Through State Department assistance a meeting by Ambassador Dawson and General Van Voorhis with President Arias and his Foreign Secretary was arranged for 7 November. After opening the conference with a statement that Panama was willing to cooperate with the United States in the defense of the Panama Canal and the Western Hemisphere, Arias proceeded to discuss the specific question of defense sites. He felt that the establishment of United States military bases in the Republic would invite enemy attacks in the event of war. General Van Voorhis hastened to point out that, in view of their temporary nature and limited development, the Panamanian bases would not likely become enemy objectives; by contrast, the military installations in the Canal Zone proper would occupy a higher priority as enemy targets.

President Arias also desired to make a clean slate of all matters adversely affecting United States - Panama relations. He suggested several extraneous matters for inclusion in the negotiations for the defense sites, including water works and sewer problems, commissary matters, and the holdings of the Panama Railroad Company. He also wished to resolve long standing disagreements over certain Panamanian tracts which had been condemned in the past by the United States for military use. While not implying any lack of willingness to

discuss these problems, Ambassador Dawson did not favor incorporating these extraneous matters with the current negotiations. He reminded Arias that the defense sites were urgently needed and that delay, occasioned by extended discussions, could mean disaster for both governments.

In order to avoid commitments to future administrations, President Arias desired that the duration of the defense site leases be limited to the term of the existing administration (constitutionally four years but increased by Arias to six). General Van Voorhis and Ambassador Dawson observed that a short-term lease of four to six years would be inadequate, that justification for the expenditure of United States funds on defense sites held under a short-term lease would be difficult, and that long range defense planning would be virtually impossible under these conditions. Van Voorhis suggested that a provision for successive renewals of short-term leases might be adopted as a compromise measure.

President Arias emphatically stated that Panama would require complete jurisdiction over the defense sites. He conceded that Panama would be willing to maintain the subject airfields in return for suitable compensation and technical assistance from the United States but that the Panamanian Government expected the United States to pay an appropriate (but unstipulated) sum for the use of these sites. The

American representatives replied that the United States of necessity would require a certain degree of jurisdiction to effectively control the defense sites, that the maintenance of the airfields by Panama was feasible in principle, and that, as yet, no consideration had been given to a determination of the amount of compensation to be paid for the use of the sites. The President agreed that the United States should have jurisdiction over all military personnel in the leased areas but he felt that all civilians should be subject to Panamanian laws. At the end of the conference, Arias observed that a point had now been reached whereby further discussions could be conducted with his Foreign Secretary.⁴

Immediately following the conference, General Van Voorhis and Ambassador Dawson proceeded to the American Embassy and continued their deliberations. The General recommended that the points related to the defense sites agreement be separated from other extraneous demands and that answers to these points be submitted to President Arias for concurrence. In the event of approval, these points might then be used as a basis for future negotiations with the Foreign Secretary. Van Voorhis felt that considerable time would be saved by following this approach but Ambassador Dawson preferred to await State Department instructions on the proposal.

In spite of the Ambassador's reluctance to act, General Van Voorhis on 9 November submitted a report (entitled "The Necessity

for Installations Throughout the Republic of Panama for the Effective Defense of the Panama Canal") for Dawson's review and subsequent submission to President Arias. The General in his report attempted to allay the President's fears that the Panamanian defense sites would become potential military objectives in time of war. He listed 12 airfields in the Republic that would be required by the Air Corps for the defense of the Canal: (1) Auxiliary Landing Fields - Rio Hato, Chame, Aguadulce, David, and Garachine; and (2) Emergency Landing Fields - Pinas, Tocume, La Chorrera, Purto, La Mesa, Las Lajas, and Almirante. The above list differed from the one recommended by the Emergency Landing Field Project Board on 30 July 1940, and delivered to the Panamanian Government on 11 October. Although available to the United States by lease, Rio Hato was listed for the first time among the airfields to be acquired in the Republic.

General Van Voorhis then proceeded to set forth a procedure for acquiring the Panamanian defense sites and the conditions by which they would be occupied by the United States. The United States would conduct all negotiations directly with the Panamanian Government. Those matters related to defense measures would be separated from unrelated issues with the understanding that the latter would be considered at a later date. Panama would immediately authorize the initiation of preliminary work on the sites. The United States would occupy the

defense sites only for the term of the existing administration but, at the same time, would reserve the right to renew the lease with succeeding administrations. An annual rental fee, to be determined by mutual agreement, would be paid for the use of the sites. Upon request, Panamanian authorities would be permitted to visit the leased areas for authorized inspection purposes. The United States would exercise complete jurisdiction over its own personnel in the defense sites but other persons apprehended for committing civil offenses within the leased areas would be delivered to the Panamanian officials for appropriate trial. The defense sites in the Republic would revert to Panama when they were no longer required for military purposes. Ambassador Dawson agreed to give the report careful consideration but hastened to point out that State Department approval would be required before the proposals could be submitted to President Arias.

As witnessed by his report, General Van Voorhis was willing to make important concessions to the Panamanian Government. His desire to foster good hemispheric relations overrode immediate defense requirements in the Panama area. The General felt that most of the delays encountered in the defense site negotiations thus far could be attributed to indecision on the part of various governmental agencies in Washington which were unable to reach agreement among themselves on the proper procedure for land acquisition in Panama. On 12 November,

Van Voorhis wrote General George Marshall, War Department Chief of Staff, and recommended that General Marshall confer with Sumner Welles, Assistant Secretary of State, on the subject of a land acquisition procedure for the Panamanian defense sites. Shortly afterwards General Marshall held a conference with Secretary Welles. As a result of the discussions, the State Department instructed Ambassador Dawson to present Van Voorhis' report, along with the State Department comments and views, to the Panamanian Government. The Ambassador delivered the notes to the Panamanian Foreign Secretary on 25 November 1940.⁵

One week later, on 3 December, the Foreign Secretary presented the Panamanian views on the proposals contained in the notes. He proposed that the peacetime strength of the Panamanian garrisons be a matter for determination by both governments. In regard to the short-term lease of the defense sites, the Panamanian Government expressed a willingness to extend the lease term by one year in order to give the incoming administration sufficient time to decide whether or not to renew the agreement. In any event, either government could cancel the existing lease by giving the other party a one-year notice. The Secretary noted that, with the exception of American military personnel on duty at the defense sites, Panama would exercise exclusive jurisdiction over all persons. The Foreign Secretary concluded that a mixed commission, composed of United States and Panamanian representatives, be appointed to make preliminary studies of the proposed defense sites so that Panama could

acquire them for subsequent transfer to the United States. Later, a formal inspection of the sites would be carried out by Panamanian officials accompanied by the United States representatives.⁶

ESTABLISHMENT OF THE LAND LEASE BOARD

None of the Panamanian proposals impressed General Van Voorhis so much as the one establishing a mixed commission. On 8 December, the General appointed Colonel Earl North and Lieutenant Colonel B. H. Hinman as the United States representatives and, eight days later, the newly created Land Lease Board held its first meeting in the Panamanian Foreign Secretary's office. It was revealed that the representatives from Panama favored the incorporation of all land acquisitions in a single agreement and that the Army could not be granted authority to occupy the defense sites until the Panamanian authorities had visited each site and determined property ownership. Colonel North was unable to receive an answer to his inquiry as to whether or not the Army would be authorized to occupy the sites pending a final lease.

After reading Colonel North's report on the first meeting of the Land Lease Board, General Van Voorhis wrote Ambassador Dawson on 19 December and informed him that the use of a single lease to cover all defense sites was unsatisfactory. Reliable estimates had shown that four months would be required for the board to visit all of the sites and locate the property owners. If a system of priorities

were established, however, the period of time could be reduced to one month. General Van Voorhis urged the Ambassador to obtain permission for ten sites to be inspected and negotiated for on a priority basis without the necessity of awaiting processing on the others. They were: Rio Hato, David, Aguadulce, Chame, Pocri, Las Lajas, La Mesa, Jaque, La Chorrera, and La Joya. Dawson forwarded Van Voorhis' request to President Arias on 30 December.⁷

On 7 January 1941, the Foreign Secretary informed Ambassador Dawson that the Panmanian Government would authorize the Army to begin preliminary work on the aforementioned sites as soon as the United States and Panama reached agreement on the general bases of the lease. He pointed out that President Arias would be required to consult with the National Assembly and inform that body of the general terms of the lease before authorization for preliminary work could be issued.⁸

In mid-January, Ambassador Dawson felt that the time was proper to approach the Foreign Secretary again for the desired authorization. Recent exchanges of correspondence between President Roosevelt and President Arias and the resulting conciliatory public statements by the latter appeared to set the stage for a more favorable response. The Foreign Secretary again declined to give the necessary permission for the preliminary work to begin but brought to Dawson's attention the fact that conversations were being conducted between the Panamanian Ambassador and the State Department in Washington which might expedite

the arrangement.⁹

In the meantime, with negotiations apparently at a standstill, General Van Voorhis appealed once more to General Marshall on 3 January to help resolve the stalemate between the two governments. Van Voorhis observed that through all the years spent in protracted negotiations the United States had not obtained a definite statement from Panama setting forth those points of the defense sites negotiations which were agreeable to her. A case in point, according to the General, was the question of the amount of compensation to be paid by the United States for the use of the sites. General Van Voorhis could not understand the apparent inconsistency in the reluctance of Panama to arrive at an agreement while other Latin American Republics appeared ready to contribute substantially to the defense effort.

General Van Voorhis proposed a positive course of action. Observing that consultations between the two governments, as provided in Article X of the 1936 Treaty, were not accomplishing the desired objectives, he proposed that the emergency procedure contained in the exchange of notes appended to the Treaty be invoked. According to this procedure, immediate defensive action could be taken for the protection of the Panama Canal and consultations with Panama could be conducted at a later date. The General recommended that the United States agree to construct public works in the Republic without cost to

Panama in order that President Arias might be able to show the National Assembly some concrete returns for Panamanian cooperation in the establishment of defense sites throughout the Republic. At the same time, the United States should notify President Arias that the defense sites were to be made available at once for occupancy by the Army, that a lease would be executed at a later date, and that the lands acquired would be compensated for according to prevailing market prices. General Van Voorhis anticipated only minor difficulties in reaching an agreement on the terms of the lease since the jurisdictional question had been settled and the short-term lease proposal had been rejected by the State Department. Finally, Van Voorhis felt that Dawson's technique in dealing with President Arias had lacked decisiveness; consequently, he asked that the War Department authorize him to be a more active participant in future negotiations in view of his cordial relations with the Panamanian President.

In reply, General Marshall on 14 January pointed out that the defense sites project was being studied by top government officials, including President Roosevelt. According to information from the State Department, a new ambassador from Panama was scheduled to arrive in Washington shortly with instructions to arrange for United States occupation of the Panamanian defense sites pending settlement of final details for a formal lease agreement.

Still dissatisfied, General Van Voorhis on 27 January again

wrote to General Marshall in the hope that the existing deadlock could be resolved. He charged much of the delay to Ambassador Dawson's policy of referring the Foreign Secretary's questions to the State Department for comment and awaiting instructions before making a reply. The General had learned from competent sources that President Arias wished to confer with President Roosevelt in Washington and the suggestion was made that such a meeting be arranged with the object of settling existing differences between the two governments. General Van Voorhis reiterated his contention that Panama had never been asked to express concretely what she desired in return for the use of the defense sites; consequently, negotiations would continue to move slowly until this could be determined. In conclusion, Van Voorhis stated: "I feel that the time has come when President Arias should be thoroughly deflated and I know of no one who could do it more promptly and effectively than the President."¹⁰

The question of the amount of compensation for the defense sites still remained in abeyance. On 10 January 1941, Ambassador Dawson observed that the State Department preferred to pay an annual rental rather than a lump sum for the use of the sites. General Van Voorhis was asked to help the Ambassador prepared an estimate of a fair annual rent for each of the Panamanian defense areas. The State Department maintained its position that the term of the lease should be for 99 years and, after expiration of this period, the sites would revert to Panama

if they were no longer needed for defense purposes.

On the following day, General Van Voorhis promptly recommended that the sum of \$18,661 be considered the annual rental fee for all Army defense sites (comprising a total of 12,401 hectares with airfields amounting to 8,844 hectares) in the Republic. This overall figure was reached by setting the value of the best privately owned land at \$50 per hectare and public land at \$5 per hectare; between these two figures, a sliding scale was used to assign values to all of the sites. Since the total value of all lands amounted to \$186,611 by this method, General Van Voorhis felt that 10 percent of this sum, or \$18,661, was a liberal annual rental figure. Because of inadequate property records and incomplete data on some sites, the General felt that it would be extremely difficult to arrive at an accurate rental value for each individual site.¹¹

It will be recalled that President Arias had suggested in a conference on 7 November 1940 that certain extraneous matters concerned with grievances of the Panamanian Government should be discussed simultaneously with the proposed lease agreement.* These matters were incorporated in a list of 12 points and delivered by President Arias to his representative, Ambassador Carlos N. Brin, for transmission to President Roosevelt. In January 1941, Ambassador

* See p. 36.

Brin was received in Washington by Under Secretary of State Sumner Welles who presented President Roosevelt's views to him. The President's position was that, in view of the 1936 Treaty, Panama should transfer the necessary defense sites to the Army, that the transfer of sites should be accomplished rapidly because of the serious international situation, and that the United States would be willing to consider the Panamanian proposals when the above conditions had been satisfied. Secretary Welles pointed out that the United States would be placing itself in an unbearable position if it were required to accept concessions from every Panamanian administration as a price for observing its treaty obligations. Welles likewise disagreed with the Panamanian assertion that the concessions were to be treated as compensation for the defense sites.¹²

During the early part of 1941, dual negotiations continued in Panama and Washington. On 5 March, the Panamanian Foreign Secretary delivered an aide-memoire to Ambassador Dawson which contained a proclamation by President Arias for publication to the public. According to its contents, Panama agreed to permit the United States to occupy and initiate preliminary work on the defense sites on condition that the occupation would be for the duration of the European war only. Upon the termination of the war, the United States would evacuate the bases and would pay Panama an adequate compensation for the use of the sites. Panama would retain jurisdiction over all civilians within the leased areas. The War Department radioed

General Van Voorhis on 10 March that these conditions were unacceptable. The General was requested to report on the current status of negotiations, to indicate the possible avenues of reaching a satisfactory agreement with the Panamanian Government and to recommend appropriate measures which might be taken to expedite the acquisition of the defense sites.¹³

The following day, Van Voorhis radioed the War Department that he favored a 10-year lease of the defense sites rather than one limited to the period of the European war only. He again recommended that the United States pay an annual rental fee equal to ten percent of the aggregate value of all lands in the Republic to be leased, and that this sum be paid in advance so the Panamanian Government would have the necessary funds to acquire the privately owned tracts and retain the difference as compensation for public lands. He suggested that the United States retain the right to reopen negotiations at a future date if defense requirements should dictate the need for additional sites. Reiterating his strong feelings on the subject, General Van Voorhis recommended that the United States exercise jurisdiction over all civilian and military personnel in the leased areas except Panamanian citizens; however, should Panamanian citizens become involved in acts of sabotage and espionage within the leased sites, they would be subjected to United States jurisdiction as well. Van Voorhis concluded: "The time has arrived when our government should dictate a few terms to the Republic

of Panama and not delay further in an effort to adjust terms dictated by them."¹⁴

In the meantime, after conferring with the War Department, the State Department in late March dispatched an aide-memoire to Ambassador Dawson to be used as a reply to the Foreign Secretary's dispatch of 5 March. The State Department took notice of President Arias' Proclamation and observed that the Army had been directed to proceed at once with the preparation of the Panamanian defense sites. Since agreement had been reached by the two governments on the basic issues, it was felt that the corresponding details could be expedited to the mutual satisfaction of both parties. The State Department noted that, in view of the probability of threats to the security of the Panama Canal after the end of current hostilities, an agreement for the use of the defense sites during the period of the war only would be unsatisfactory. It was desired that Panama make the sites available for the duration of the "unforeseen contingency" as specified in Article II of the 1936 Treaty, or for so long as they might be needed for the defense of the Canal. The State Department made it clear that the United States would not consent to relinquish control at any time over its civil and military personnel, whether on duty or not, or over their families and that Panamanian sovereignty over the sites would be unaffected. Although the United States would not agree to joint policing of the defense areas, all persons, except United States

civilian and military personnel, apprehended in the act of committing civil crimes, other than that of trespass and kindred crimes involving the safety and security of the installations, would be delivered to the Panamanian authorities for appropriate trial and punishment.

The State Department assured the War Department that Ambassador Dawson had been instructed to present the above aide-memoire to General Van Voorhis for study and comment before delivering it to the Panamanian Foreign Secretary. After reviewing the aide-memoire, General Van Voorhis radioed the War Department on 28 March that, in his opinion, the proposals provided a suitable basis from a military viewpoint for reaching a satisfactory agreement with Panama. He suggested, however, that Panama be informed of the possible need for additional defense sites in the future; in other words, the Panamanian Government should not receive the impression that she was at present satisfying all future military requirements for the defense of the Canal.¹⁵

OCCUPATION OF AIRFIELDS IN PANAMA

On 31 March 1941, General Marshall asked General Van Voorhis to prepare a schedule indicating the contemplated date of occupation and initiation of construction at each Panamanian defense site; after Ambassador Dawson had delivered the schedule to the Panamanian Government, President Arias would be invited to send a representative, in company with an American official, to a particular site on a specified

date for formal transfer ceremonies. A similar procedure would be followed for the remaining sites as soon as administrative details were completed and a report made to the Panamanian authorities. Subject to this arrangement, the General was directed to proceed with the occupation of the sites.¹⁶

General Van Voorhis immediately complied with the War Department directive. On 1 April, he forwarded Ambassador Dawson a schedule which listed the dates for transferring the Panamanian airfields to the control of the Air Corps. On the following day, Dawson informed Van Voorhis that Panama had approved the schedule and that the Land Lease Board would handle all details involved in the transfer directly with the Panamanian Government.¹⁷ On 3 April, Chame and La Chorrera became the first Panamanian airfields to be formally turned over to the United States, and they were followed by the formal occupation of the following sites: La Joya (4 April), David (5 April), Pochi (7 April), La Mesa (7 April), Las Lajas (8 April), Aguadulce (9 April), and Jaque (12 April). Including Rio Hato, the air defense of the Panama Canal was now implemented by ten airfields strategically located in the Republic.¹⁸

The procedure for the transfer of defense sites to the United States, pending completion of the final lease agreement, proved to be unwieldy from the military point of view. An impasse resulted from

the requirement that the Land Lease Board inspect and determine ownership of the property before the Army could receive authorization to occupy the site. In general, the defense sites which were not included in the priority list of 19 December 1940* had not as yet been surveyed; others, though surveyed, were still awaiting a formal inspection by the Land Lease Board before further action could be taken.

On 27 May 1941, the War Department radioed General Van Voorhis that it would be desirable if all defense sites in Panama were immediately occupied by the Army. The message requested a list of the sites occupied since 12 April and a plan for the immediate occupation of the remaining bases. After intensive discussions, the Panama Canal Department staff proposed three courses of action which might be followed to expedite the acquisition process: (1) increase the number of surveyors at the sites; (2) add a member to the Land Lease Board; or, (3) secure permission from Panama for the Army to occupy the defense sites prior to the completion of inspections. A shortage of qualified surveyors and the feeling that the addition of another member to the Land Lease Board might create unfavorable diplomatic repercussions made the first two proposals untenable. General Van Voorhis decided upon the third course of action as the most logical one to follow.¹⁹

In the meantime, on 23 May, Edwin C. Wilson replaced

* See pp. 42-43.

William Dawson as United States Ambassador to Panama. On 10 June, General Van Voorhis proposed to Ambassador Wilson that permission be obtained for the Army to occupy the remaining defense sites prior to the completion of surveys if the Land Lease Board expressed no objection. As soon as the necessary surveys were completed, the sites would then be subjected to the same existing practice of formal inspection and approval. Two days later, Wilson transmitted the proposal to the Foreign Secretary who promised to discuss it with President Arias. On 23 June, the Foreign Secretary notified the Ambassador that his government liked the proposal and that he had designated two representatives to accompany the United States officials on visits to the sites. After a report had been made on each location and submitted to the Panamanian Government, the Army would then be given permission to occupy the sites on a temporary basis. Upon completion of surveys, estimated to take six months, the sites would be transferred to the United States in accordance with the existing procedure.²⁰

On 30 June, General Van Voorhis designated his members of the Land Lease Board. Two boards of officers, called Joint Land Lease Boards Numbers 1 and 2, were officially created on 19 July; they superceded all previous Land Lease Boards convened for the purpose of acquiring defense lands in Panama. This system of double boards was to remain in effect until the final accomplishment of the permanent

lease. The first board would examine a particular site and, if no objections were raised, the Army would occupy and begin the development of the area. In the meantime, surveys and damage assessments would be conducted. After concluding preliminary operations, the second board would visit the site and complete the formal transfer to the United States pending the execution of a final lease.²¹

General Van Voorhis established a new procedure on 21 June 1941 to be used by his Command in obtaining defense sites in the Republic. A requesting organization would first determine and justify the need for a specific site and submit this information to the Commanding General. The Commanding General would then secure permission from the Panamanian Government to make a preliminary reconnaissance of the site. Upon the receipt of permission from Panama, the requesting organization would be directed by the Commanding General to conduct a reconnaissance of the area and to submit a report on the site showing the location, the amount of construction work required, and an estimate of the funds needed for development. The Commanding General would then submit the project to the War Department for approval and authorization of funds, secure permission from Panama for the necessary instrumental surveys to be conducted, and request authority from Panama for the Army to occupy the site upon completion of surveys. As a final step, the Commanding General would direct the requesting organization to occupy the site.²²

THE RIO HATO PROBLEM

Rio Hato, as previously indicated, was already being used by the Air Corps under the lease of 1 January 1938, which stipulated that the agreement might be renewed on an annual basis up to 31 December 1942. Realizing the importance of this base, the War Department requested on 19 June 1941 that General Van Voorhis take immediate action to have Rio Hato formally transferred to the United States. Two days later, the General replied that the Panamanian members of the Land Lease Board had informed the senior United States representatives that Rio Hato had not been included in the list of defense sites submitted by the United States and, consequently, specific authorization from President Arias would be required before a formal transfer could be made.²³

In compliance with War Department instructions, General Van Voorhis on 22 July informed Ambassador Wilson that the existing lease for Rio Hato had been executed prior to the formulation of the current land acquisition machinery. In the interests of uniformity, he asked the Ambassador to arrange with the Panamanian officials for formal confirmation of the Rio Hato occupancy. Wilson discussed the matter with the Panamanian Foreign Secretary and informed Van Voorhis on 8 August, that, according to the Secretary, omission of Rio Hato from the list of defense sites submitted by Dawson to the

Foreign Office in mid-October 1940^{*} precluded formal confirmation of occupancy. The Ambassador hastened to add, however, that Rio Hato had been specifically listed in a letter of 19 December 1940⁺ and communicated to President Arias by a memorandum of 30 December. When queried on the steps required for confirmation, the Foreign Secretary refused to elaborate any further without consultations with President Arias. The Foreign Secretary asked Wilson if he desired to have Rio Hato included in the defense sites list and treated on the same basis as the other sites but the Ambassador deferred this question until he had obtained more background information. Wilson requested that Van Voorhis send him for review all available historical data on Rio Hato, particularly documents pertaining to authorizations by previous Panamanian administrations for the lease of lands from private individuals.

General Van Voorhis forwarded the background information on Rio Hato to Ambassador Wilson on 10 August. Recognizing the reluctance of the Arias Administration to honor official land transactions of previous regimes, the General recommended that all defense sites, including Rio Hato, be included in one lease agreement in order to prevent the occurrence of similar difficulties in the future. Wilson presented this recommendation to Arias in mid-August but it was declined. According

^{*} See p. 35.

⁺ See pp. 42-43.

to Arias, Rio Hato was a special case, separate and apart from the other sites, and could not be included in a single lease agreement.²⁴

Upon hearing of this development, General Van Voorhis notified the War Department on 22 August that no further action could be taken on the formal transfer of Rio Hato to Army control until a draft lease for the site had been submitted by the Arias Government.²⁵

SUMMARY

The sweeping successes of German military forces in France and the Low Countries during the summer of 1940 and the pressing need for an adequate defense of the Panama Canal set the stage for negotiations between the United States and Panama.

Soon after the inauguration of President Arias in October 1940, the two governments began defense sites negotiations on the basis of Draft "B" of the proposed lease agreement. The American representatives soon discovered that there was no meeting of the mind with the Panamanian administration on such basic matters as the tenure of the defense sites, the amount of compensation to be paid for their use, and the degree of jurisdiction to be exercised by the respective governments in the defense areas. Apparently in an effort to gain concessions for his government, President Arias proposed that extraneous matters relating to grievances be included in the defense sites negotiations.

The first significant break in the deadlocked negotiations occurred

in December 1940 when General Van Voorhis accepted a Panamanian proposal that a mixed commission be established to facilitate the inspection of proposed defense sites for subsequent transfer to United States control. During the next month, discussions were initiated in Washington between the Under Secretary of State and the Panamanian Ambassador in regard to the extraneous matters proposed earlier by President Arias.

By early March 1941, negotiations in both Panama and Washington had progressed to such an extent that President Arias agreed to permit the preliminary occupation of defense sites in the Republic, pending a formal agreement between the two governments. The Land Lease Board served as a convenient vehicle for accomplishing the transfer of nine airfield sites to the United States during early April. The requirement that each site be inspected and a determination of land ownership be made before the United States could gain a right of entry proved to be a time consuming operation which could not be afforded under the pressure of immediate defense needs. Through an understanding with Panama, two Joint Land Lease Boards came into existence in July 1941 to expedite the transfer of sites. After examination of a site by the first board, occupation would be authorized if no objections were raised; upon the completion of surveys and other preliminary inspections, the second board would complete the formal transfer ceremony.

A problem with the Rio Hato site developed when the Panamanian members of the Land Lease Board refused to formally transfer the site to the United States without specific authorization from President Arias. Although available to the Air Corps under a private lease arrangement, General Van Voorhis deemed it prudent to secure formal confirmation of the Rio Hato occupancy from Panama. President Arias, however, did not agree to this arrangement.

Chapter III

CONSUMMATION OF THE DEFENSE SITES AGREEMENT
OCTOBER 1941 TO MAY 1943

Negotiations in Panama for a defense sites agreement had reached a stalemate. The discussions in Washington between Under Secretary Welles and Ambassador Brin were likewise making little progress. During the summer of 1941, Raul de Roux, the Panamanian Foreign Secretary, was dispatched to Washington for the purpose of discussing the entire area of United States - Panama relations with Secretary Welles. From the beginning, the State Department had made it clear to Ambassador Brin that the granting of concessions depended on the conclusion of a satisfactory agreement for the Panamanian defense sites with particular reference to tenure and jurisdiction. Yet, in subsequent discussions, Secretary De Roux acted on the premise that a defense sites agreement must follow, not precede, an adjustment of Panamanian claims.

The Foreign Secretary simultaneously invoked Article X of the 1936 Treaty, which provided for consultation between the two governments in the event of, or the threat of, an international war, and rejected Article II of the same treaty, under which Panama agreed to share joint responsibility with the United States in the protection of the Panama Canal in the event of an unforeseen contingency. De Roux

repeated President Arias' contention that the defense sites should revert to Panama at the end of the European War but Secretary Welles pointed out that the end of the war might not mean the termination of danger. Arias' proposals to limit the size of the Army garrisons at the sites and to permit Panamanian nationals to use the leased airfields were likewise unappealing. De Roux also proposed that the United States pay an annual rental of \$4,000 per hectare for the use of the defense sites. The unreasonableness of this offer is evident when it is realized that, at this rate, Rio Hato would have cost the United States \$30,000,000 annually although the Army had an option to purchase the area for \$140,000.

In spite of pressure from Arias for President Roosevelt to intervene in the Washington discussions, Welles assured De Roux that the Under Secretary's views were fully those of the Chief Executive and were backed by a personal commission from the President. De Roux unexpectedly returned to Panama and no substantial progress in negotiations resulted for the remainder of the Arias administration.

The Arias regime came to a sudden end on 9 October 1941 when the President left the Republic without observing the constitutional requirement for obtaining prior permission to leave Panama from the National Assembly. The Assembly declared the office vacant and Ricardo Adolfo de la Guardia was installed as the new executive. Although attempts were made by dissident factions to implicate the

United States by linking the removal of Arias with the unfavorable trend of the defense sites negotiations, Secretary Welles categorically denied for the record any direct or indirect connection with the change in administration.¹

The operation of the double board system for occupation of the Panamanian defense sites came to a halt because the new administration failed to appoint its representatives for the Land Lease Commissions. In the meantime, Lieutenant General Frank M. Andrews assumed command of the newly created Caribbean Defense Command on 19 September 1941 and succeeded General Van Voorhis as the principal War Department negotiator for the defense sites. General Andrews observed that the breakdown of the double board system had left him without a direct channel of approach to the Panamanian authorities on defense sites matters and he asked Ambassador Wilson on 24 November to discuss with the Panamanian officials the possibility of reviving the Joint Land Lease Boards. The Foreign Secretary approved the idea and, on 3 December, the Panamanian representatives of the two boards were designated.²

Although the double board system operated for approximately six months, it failed to perform satisfactorily, and soon began obstructing, rather than facilitating, the temporary transfer of defense sites. Neither of the representatives from Panama felt that he was empowered

to act for his government in granting final authority for the Army to occupy the sites. One of the Panamanian members had been unable to make any inspection trips to the sites because of the heavy demands of official government duties while another had asked for permission to conduct the inspections of all land lease projects, from beginning to end, but had not received authority from the Panamanian government to do so. After a defense sites agreement was reached by the two governments on 18 May 1942, Land Lease Board Number 2, whose sole function had been to authorize temporary occupation of the sites pending formal transfer to the Army, went out of existence. By mid-July 1942, the use of a single board for the formal transfer of sites became standard practice and continued so until all defense sites had been acquired.³

A year had passed since Draft "B" of the proposed lease agreement had been submitted to President Arias in early October 1940 at the beginning of his administration.* In the interim, the State Department had been working on a defense sites agreement that would meet War Department requirements and yet be satisfactory to the Panamanian Government. On 30 September 1941, the State Department completed a new draft lease[†] and submitted it to General Andrews on 1 November for his consideration.

* See p.35.

† See App. No. 3.

In contrast to the 99-year lease provision of Draft "B," the 30 September draft agreement provided for the Panamanian defense sites to remain under United States control as long as the conditions warranting the application of Articles II and X of the 1936 Treaty existed. In order to dispel any doubt as to the status of the sites, Article V specified the temporary character of United States control over the leased areas. Article III permitted reciprocal use of those airports established by the United States and those operated by the Panamanian Government; however, regulations for their use were deferred until an agreement was executed by the two governments. The jurisdictional features in Article IV were more exclusive than those of Draft "B." While the latter exempted Panamanian citizens from trial and punishment by United States authorities under any circumstances, Article IV empowered the United States to exclude, arrest, try, and punish Panamanian citizens who were guilty of committing crimes against the safety of the defense areas, except that the death penalty could not be imposed on any Panamanian citizen. All foreign nationals caught in the act of committing lesser crimes in the defense areas would be delivered to the authorities in the Republic for appropriate trial and punishment.

Article VII of the 30 September draft limited, with the exception of Rio Hato, the strength of the peacetime garrisons to be maintained

at the sites; however, provision was made for changes in these ceilings as Canal defense needs dictated. Instead of a lump sum payment, Article XIII stipulated that the United States would pay one balboa (one United States dollar) annually for the use of the public lands and a "fair and adequate annual rental" for the privately owned lands. In general, the remaining provisions were substantially the same as those in Draft "B."

After careful study, General Andrews informed Ambassador Wilson in mid-November that the 30 September draft agreement possessed two major objectionable features: (1) the agreement in its entirety was centered around the temporary nature of Army occupation, and (2) a limitation was imposed on the garrisons at the defense sites. According to Andrews, at no foreseeable time in the future could a majority of the sites be evacuated without compromising the security of the Panama Canal. His view was predicated on the development of modern airpower with its capabilities of sudden massive destruction and the international trend toward undeclared wars. General Andrews felt that it was neither wise nor practical for the United States to spend large sums of money on the development of military sites and then turn them over intact to Panama after only a limited period of use. Rather than impose a definite limitation on garrison strengths, Andrews favored a more realistic approach by including a statement in the

agreement to the effect that the garrisons would be kept at a reasonable strength, sufficient to carry out the mission of the particular base at all times.⁴

EFFECT OF THE ATTACK ON PEARL HARBOR

Regardless of the more favorable attitude of the new Panamanian administration toward United States proposals for defense sites in the Republic, an agreement between the two governments was still outstanding on 7 December 1941 when Japan attacked Pearl Harbor. The absence of an agreement at this time might well have been catastrophic had it not been for the prudent action of the War Department in directing the occupation of essential Panamanian airfields in April 1941. The entrance of the United States into World War II made it imperative that additional air bases be established in Panama without delay.⁵

On 15 January 1942, General Andrews, Ambassador Wilson, and Major General Karl Truesdell, Deputy Commander of the Panama Canal Department, conferred with President De La Guardia about the immediate need for additional defense sites and the expansion of other sites in the Republic which had been previously requested from the Foreign Office. Additional airfield sites were needed at Mandinga, Casa Larga, La Joya, Anton, and Penonome, while expansion projects were planned for sites at Chame and Chorrera. President De La Guardia readily approved the request and designated his Foreign Secretary to

handle the details with Ambassador Wilson. The United States received official permission on 17 January to occupy and improve the above sites.⁶

In the meantime, Ambassador Wilson began discussions of the 30 September draft agreement with the Panamanian Government, soon after receiving General Andrews' comments in mid-November. After three and one-half months of negotiations, the Panamanian Foreign Secretary in March informally agreed to a revised version of the draft. Actually, two articles were still under discussion at the time of the informal agreement: Article VIII, pertaining to the maintenance of Panamanian highways, and Article XII, concerning the amount of compensation to be paid by the United States for the use of the defense sites. A few weeks later, the differences over Article VIII were resolved when the United States agreed to provide one-third of the annual maintenance cost of all Panamanian highways but Article XII remained unresolved.

On 21 March, Ambassador Wilson forwarded to General Andrews an advance copy of a revised draft agreement.* As a result of past conversations, Wilson anticipated that Andrews would have specific reservations regarding certain sections of the 27 March draft, particularly Articles I and IV which pertained to temporary occupation of the sites and the extent of United States jurisdiction over the sites, respectively.

* See App. No. 4.

General Andrews had previously indicated his views on the undesirable "temporary occupancy" feature in discussions over the 30 September draft. When Wilson informed Andrews in early February of proposed changes to Article IV, Andrews again observed that the new article gave less jurisdiction over the defense sites to the United States than that possessed with respect to the Canal Zone. General Andrews, therefore, recommended that the original article be retained without modification.⁷

In an anticipatory move, Wilson wrote Andrews on 21 April and set forth his justifications for including the controversial articles in the 27 March draft agreement before receiving Andrews' comments. Wilson pointed out that he had informed both the Panamanian President and his Foreign Secretary during negotiations of the necessity for retention by the United States of certain defense sites upon termination of the emergency for the protection of the Panama Canal; consequently, Wilson thought it possible that the United States would request new negotiations for these bases at the end of the emergency. After obtaining Panamanian agreement to this proposal, Wilson felt that it was the maximum concession that could be extracted from President De La Guardia without causing a break in negotiations. With respect to Article IV, Wilson reminded Andrews that the Panamanian Government had promised by a note in early February to take immediate and

USAFHS-63, Chap. III

70

effective measures regarding the trial and punishment of its citizens who committed illegal acts against the safety of the defense installations. In conclusion, Wilson observed that Articles I and IV as stipulated in the 27 March draft adequately protected United States interests and that any further attempts to enlarge upon these provisions might result in a failure to reach a defense sites agreement with Panama.⁸

For a period of approximately two months, General Andrews and his staff reviewed the 27 March draft with the Department Judge Advocate, the Commanding General of the Panama Canal Department, and the Governor of the Panama Canal Zone. Andrews noted that, while Article I made reference to a list of defense sites to be incorporated as an integral part of the agreement, he had not received a copy of this list. According to Andrews, the important consideration was that provision be made for additions, deletions, and substitutions of sites as defense requirements dictated. Andrews observed with resignation that the State Department had been committed to the principle of temporary occupation of the sites since the beginning of negotiations. Under these circumstances, he deemed it important, in the event of future negotiations with Panama for the retention of sites at the end of the emergency, for the United States to remain in possession of the bases until negotiations had been concluded.

The Judge Advocate expressed concern over Article IV of the 27 March draft which prohibited the United States from bringing to trial those Panamanians accused of committing malicious crimes against the safety of the military installations, or those accused of other offenses in the leased areas. The provision which authorized United States officials to apprehend and deliver Panamanians charged with committing lesser crimes at the sites was omitted in the new agreement. According to the Judge Advocate, there was the possibility that the Penal Code of the Republic might not adequately cover serious offenses endangering the security of the defense sites; consequently, he recommended that the Panamanian officials be approached in regard to revising the Code accordingly. Finally, after considerable discussion, it was suggested that the United States insist upon the right to purchase any or all privately owned lands required for defense purposes in the name of Panama and that these lands be considered in the same category as public lands for purposes of compensation. By this plan, the United States could avoid the payment of high rents for privately owned tracts where reasonable terms of purchase could be effected. The above suggestions and recommendations of the conferees were forwarded to Ambassador Wilson by General Andrews on 11 May 1942.⁹

On the following day, Wilson notified Andrews that the United States and Panama had reached complete agreement on the text of the

defense sites agreement and that signature of the document by the two governments would take place at the earliest possible moment. In the meantime, the United States had accepted most of the Panamanian requests in regard to the 12 points regulating relations between the two governments* and plans were made for the defense sites agreement to be signed simultaneously with the exchange of notes in Washington embodying these 12 points.

Wilson informed Andrews that it would not be feasible, even if desirable, to reopen negotiations with Panama at this late date, particularly in view of State Department plans to execute the two agreements simultaneously. He pointed out that the State Department had been fully informed of General Andrews' views, both written and oral, during the progressive stages of negotiations and that the State Department had properly coordinated its actions with the War Department. Wilson then referred to the two controversial provisions, Articles I and IV. In regard to the latter, the Panamanian Foreign Secretary had assured Wilson that existing legislation relating to crimes against the safety of the defense sites would be examined and, if found to be inadequate, recommendations would be made to the National Assembly for providing more severe penalties. Concerning Article I, Wilson stated that, in addition to the signed agreement, there would be an exchange of notes

* See App. 5.

between the two governments providing for the delivery of additional sites to the United States in the future on the same terms and conditions as those listed in the annex to the agreement. The Ambassador concluded optimistically: "In my judgment the defense sites agreement is extremely satisfactory to the United States Government - in fact considerably more so than it seemed would be possible during the early stages of the negotiation."¹⁰

RATIFICATION OF THE DEFENSE SITES AGREEMENT

The Agreement for the Lease of Defense Sites in the Republic of Panama* was signed on 18 May 1942 by the American Ambassador and the Panamanian Foreign Secretary.¹¹ An exchange of notes between the two governments, appended to the agreement, stipulated that, in the event additional sites were required by the United States, the areas would be added to the list of original sites, if approved by Panama, and would be subject to the same terms and conditions of the original sites. Wilson felt that this assurance should alleviate General Andrews' concern over the inadequacy of Article I.

Compensation for the use of the defense sites was contained in Article XII. Panama agreed to acquire all privately owned lands and lease them to the United States at an annual rate of \$50 per hectare.

* See App. 6.

All expropriation costs related to the acquisition of these tracts would be defrayed by the Panamanian Government. The United States was obligated to pay an annual rental of \$1 for all public lands in the Republic, regardless of the size or value. Rent for both the private and public lands would be computed from the date on which the Army actually began occupation of the sites.

Rio Hato was specifically exempted from the above rental provisions. As mentioned earlier, the Air Corps had been using Rio Hato under the lease agreement of 1 January 1938, which provided for annual renewals to 31 December 1942. The Army paid an annual rental of \$2,400 for this site. On 29 May 1941, the Army made an annual renewal of the lease, for the period from 1 July 1941 to 30 June 1942; however, on 25 February 1942, the lessor notified the Commanding General, Panama Canal Department, that the rental charge would have to be increased. According to the owner, the Rio Hato property was running at an annual deficit of \$1,700 as a result of increased taxes and the United States was requested to compensate the owner for this loss by agreeing to an increased rental in the same amount. In the meantime, the lessor signed a lease renewal, effective to 31 December 1942. After taking the matter under consideration, the Commanding General of the Caribbean Defense Command submitted a proposed amended lease to the War Department in June 1942 providing for an

annual rental of \$5,200 (\$2,800 above the current annual figure) for the Rio Hato site. The Comptroller General ruled, however, that the amended lease was for the sole benefit of the lessor and, consequently, was disapproved. According to the 18 May agreement, the United States agreed to pay a flat rental fee of \$10,000 annually, beginning on 1 January 1943, for the use of Rio Hato.¹²

The new conditions imposed by the 18 May agreement made it necessary to formulate a revised procedure on 12 July 1942 for the procurement of Panamanian defense sites. When an organization of the Panama Canal Department desired the use of a site in the Republic, the following information would be sent to the Commanding General: a statement of the need and proposed use of the site; a description of the area with specific boundaries indicated; if required, a statement of requirement for additional land for access purposes; an estimate of the area desired; a statement showing the number of inhabitants in the area; and a map indicating the approximate location of the site. After receiving this information, the Commanding General of the Panama Canal Department would submit a request, through the American Ambassador, to the Panamanian Government to have the site placed on the approved list of Panamanian defense sites and to have the Joint Land Lease Board authorize the transfer of the site to United States control. Upon receipt of Panamanian authorization, the senior Army member of the Joint Land Lease Board would make the following

arrangements with the Panamanian Foreign Office: inspection of the site by the Land Lease Board; authority for the Army to occupy the site; instrumental survey of the site; and preparation of a formal document describing the site for signature by members of the Land Lease Board.

Responsibility for rental payments on the defense sites rested with the Division Engineer. When the surveys were completed, the Engineer would determine which portions of the site were privately owned and the date on which the Army actually began using the site. An estimate of the funds to pay the site rental would be prepared by the Engineer and submitted to the Commanding General of the Panama Canal Department who, in turn, would procure the necessary funds from the Caribbean Defense Command. Annual rental payments for the defense sites would be paid in accordance with the provisions of Article XII of the 18 May agreement. The sum was payable in advance of formal surveys with the understanding that necessary adjustments would be made in the future.

If a particular site were needed on short notice, the Commanding General of the Panama Canal Department was authorized to request verbal authority from the Panamanian Government for the Army to occupy the site immediately. The Department commander was charged with the direct control of all matters pertaining to the leasing of defense sites from the Panamanian Government.¹³

The Panamanian Foreign Secretary designated the Director of

the Department of Relations with the Canal Zone as his official representative through whom all matters pertaining to the defense sites would be channeled. When the United States officials wished to contact the Joint Land Lease Board in regard to visiting and inspecting a particular site, the Director was charged with making the necessary arrangements.¹⁴

Before the Panamanian sites could be prepared for defense purposes, it was necessary, first of all, to evacuate the inhabitants from the areas. Article XII of the 18 May agreement provided for Panama to assume all costs involved in the expropriation proceedings and, accordingly, a Permanent Claims Commission was established in the Foreign Office to process these claims. Most of the occupants, however, were unable to abandon their holdings and resettle without first receiving compensation. In order to meet this immediate cash outlay, the Permanent Claims Commission requested that the United States pay the first year's rent on the defense sites in advance to enable Panama to pay these claims, estimated at approximately \$30,000.

The Judge Advocate did not favor making an advanced payment to the Permanent Claims Commission. According to Article XIV, the Agreement of 18 May would not become effective until approved by the President and the National Assembly of Panama; since Panama had not ratified the Agreement, the Judge Advocate observed that the United States was not obligated to make any rental payments in the

interim and that the Army could not make such payments without War Department approval. Upon request in August 1942, the War Department authorized the payment of \$30,000 to the Panamanian Government with the understanding that this sum would be applied to future rental charges when the Agreement was ratified. Ambassador Wilson delivered the payment to the Foreign Secretary and receipt was acknowledged on 7 December.¹⁵

Although Article XII of the agreement clearly stated the manner in which rent for the defense sites would be computed, the United States and Panama had not agreed on an exact delineation of the areas and the actual dates of occupation by the Army. Complications developed when it was found that the early surveys of the defense sites in 1940 and 1941 were inaccurate and required major revisions before they could be used for determination of rent. The absence of properly maintained records and the inadvertent destruction of boundary markers by construction crews made it difficult, not only to separate private and public lands, but also to distinguish the holdings of one owner from that of another.¹⁶

In order to complete the new surveys of the defense sites in the shortest time possible, a standard procedure was evolved which permitted rough surveys (an accuracy of 1:2000), yet sufficiently accurate for the sparsely settled areas in the Republic, to be conducted. By early

August 1942, however, many sites had not been surveyed, the exact amount of land to be used at each site had not been determined, the division between private holdings and public lands had not been accomplished, and some of the sites still awaited the arrival of construction crews and military troops. The process of determining the actual occupation dates was hampered, like the surveys, by either a lack of records or inadequate accounts. In many instances, troops and civilians at the sites were called upon to furnish basic information on the date of arrival of the first troops. While a firm date could be established in some instances, an estimated date had to suffice in others.

Using the above information, the amount of rent was computed for stipulated defense sites and the rental payment was forwarded to the Panamanian Government. The United States, however, could not consider the transaction completed until 90 days had expired. At any time during the 90-day period, Panama was entitled to make general objections to the submitted data; if none were made, the transaction was deemed to be closed. If an objection were interposed, however, the data submitted on the sites would remain in abeyance for a period not to exceed one year beyond the original 90-day period. In the interim, no further rent computations would be made until the Panamanian Government lodged specific objections to the sites in question. Should Panama invoke a general objection within the

prescribed 90-day period and fail to indicate a specific objection after one year had passed (beyond the 90-day period), the original objection was considered to be in error and the data would be approved.¹⁷

Although a definite procedure had been established in June 1941 for the acquisition of defense sites in the Republic, Panama Canal Department organizations often bypassed these directives to meet pressing defense requirements. Generally, there would be an honest effort to comply with the regulations but, somewhere along the line, a deadlock would develop which necessitated unofficial or semi-official shortcuts. Although the new procedure adopted in July 1942 was a substantial improvement over the former one, the District Engineer found it necessary in August to advise the Panama Canal Department that it had been informed that "considerable damage and ill will have been incurred by the occupation of private lands and the commencement of construction operations without the necessary occupational authority from the Republic of Panama."¹⁸

In accordance with Article XIV, the Panamanian President presented the Defense Sites Agreement to the National Assembly for ratification on 5 May 1943. The Assembly gave its approval five days later and embodied it into law on 11 May. The President signed the law (published in Gaceta Oficial Number 9109 of May 26, 1943) on the same day, thereby making the agreement effective.¹⁹

The ratification of the Defense Sites Agreement by Panama

USAFHS-63, Chap. III

81

almost coincided with the reduction in mid-April of the Caribbean Defense Command defense category. This meant, in effect, that the War Department no longer expected a major, prolonged enemy attack to be launched against the Panama Canal, although minor assaults were deemed possible. From the spring of 1943 to the end of World War II, the emphasis of the Caribbean Defense Command changed from expansion to reduction of military requirements. In so far as Army Air Forces requirements were concerned, the number of Panamanian airfields were stabilized for all practical purposes by the summer of 1942 and remained unchanged for the duration of the war.²⁰

The Army Air Forces acquired 24 airfield sites in Panama under the provisions of the Defense Sites Agreement. Additional area was also acquired for two sites, Rio Hato and Madden Fields. The total annual rental for these sites amounted to \$283,607. There were, in addition, several smaller sites acquired for use as Air Warning Service fields; however, their small area and unique mission make it inappropriate to consider them in this study. Although not included in the final agreement, Paitilla Point was used by the Air Forces during the latter part of 1942 and the first half of 1943 as an emergency landing strip by verbal authority of the Panamanian Government.²¹



AIR BASES ACQUIRED UNDER THE DEFENSE SITES AGREEMENT OF 18 May 1942 *

| NAME OF SITE | FORMALLY REQUESTED | OFFICIALLY AUTHORIZED | OCCUPATION DATE | TOTAL AREA (Hectares) | PRIVATE LAND | PUBLIC LAND | APPRAISED VALUE | ANNUAL RENT PAID BY US |
|---------------------|--------------------|-----------------------|-----------------|-----------------------|--------------|-------------|-----------------|------------------------|
| La Chorrera # 1 | 11 Oct 1940 | ----- | 3 Apr 1941 | 75.06 | 29.54 | 45.52 | 1501.20 | 1477.00 |
| La Chorrera # 2 | 17 Jan 1942 | ----- | 27 Nov 1941 | 1180.94 | 957.47 | 223.47 | 23618.88 | 47879.50 |
| Chame # 1 | 11 Oct 1940 | 3 Apr 1941 | 16 Apr 1941 | 142.65 | 74.40 | 68.25 | 2853.00 | 3220.00 |
| Chame # 2 | 17 Jan 1942 | 17 Jan 1942 | 22 Jan 1942 | 359.15 | 143.95 | 215.20 | 3591.50 | 7197.50 |
| La Joya # 1 | 11 Oct 1940 | 4 Apr 1941 | 10 Jan 1942 | 143.93 | 143.93 | 00.00 | 19761.45 | 65114.50 |
| La Joya # 2 | 17 Jan 1942 | 17 Jan 1942 | 15 Jan 1942 | 404.98 | 404.98 | 00.00 | 8678.72 | 20249.00 |
| La Joya # 3 | 17 Jan 1942 | 17 Jan 1942 | 7 Jan 1942 | 565.76 | 565.76 | 00.00 | 10183.63 | 28288.00 |
| David # 1 | 11 Oct 1940 | ----- | 5 Apr 1941 | 43.30 | 40.03 | 3.27 | 2598.00 | 2001.50 |
| David # 2 | 21 Jan 1943 | 5 Nov 1943 | 15 Jan 1942 | 265.84 | 212.24 | 53.60 | 15950.40 | 10587.50 |
| David # 3 | 13 May 1943 | 5 Nov 1943 | 11 Dec 1941 | 239.88 | 152.01 | 87.87 | 14392.80 | 7600.50 |
| David # 4 | 2 Feb 1943 | 5 Nov 1943 | 1 Jan 1943 | 93.33 | 30.96 | 62.37 | 5599.80 | 1548.00 |
| Poori | 11 Oct 1940 | 7 Apr 1941 | 7 Apr 1941 | 149.69 | 14.62 | 135.07 | 2634.54 | 731.00 |
| La Mesa | 11 Oct 1940 | 7 Apr 1941 | 7 Apr 1941 | 196.15 | 00.00 | 196.15 | 2353.80 | 00.00 |
| Las Lejas | 11 Oct 1940 | 9 Apr 1941 | 9 Apr 1941 | 232.20 | 232.20 | 00.00 | 2786.40 | 00.00 |
| Aguadulce # 1 | 11 Oct 1940 | ----- | 9 Apr 1941 | 94.08 | 76.72 | 17.36 | 1554.20 | 3836.00 |
| Aguadulce # 2 | 20 Dec 1941 | ----- | 9 Apr 1942 | 597.98 | 320.37 | 277.61 | 9878.63 | 16018.50 |
| Jaque | 11 Oct 1940 | 12 Apr 1941 | 8 Apr 1941 | 139.99 | 00.00 | 139.99 | 249.85 | 448.00 |
| Rio Hato | 26 Aug 1940 | ----- | 1 Jan 1943 | 7675.96 | 7675.96 | 00.00 | 59181.65 | 10000.00 |
| Rio Hato (Addn) | 9 Oct 1943 | 15 Oct 1943 | 7 Dec 1941 | 12.32 | 12.32 | 00.00 | 1232.00 | 616.00 |
| Mandinga | 17 Jan 1942 | 17 Jan 1942 | 20 Jan 1942 | 783.36 | 00.00 | 783.36 | 3681.79 | 00.00 |
| Madden Field | 17 Jan 1942 | 17 Jan 1942 | 15 Jan 1942 | 215.54 | 215.54 | 00.00 | 2155.40 | 10777.00 |
| Madden Field (Addn) | 8 Jul 1942 | 15 Jul 1942 | 16 Jul 1942 | 408.10 | 408.10 | 00.00 | 4081.00 | 20405.00 |
| Anton | 17 Jan 1942 | 17 Jan 1942 | 5 Feb 1942 | 304.92 | 238.63 | 66.29 | 6098.40 | 11931.50 |
| Penonome | 17 Jan 1942 | 17 Jan 1942 | 5 Feb 1942 | 440.61 | 273.74 | 166.87 | 6521.03 | 13687.00 |
| Rey Island | 17 Jun 1942 | 22 Jun 1942 | 22 Jun 1942 | 83.38 | 00.00 | 83.38 | 1250.70 | 00.00 |
| Pito Airport | 19 Nov 1942 | 11 Dec 1942 | 15 Jun 1942 | 196.77 | 00.00 | 196.77 | 4919.25 | 00.00 |

* The material contained in this Chart has been taken from
PGD Historical Study, Acquisition of Land, Panama Canal
Department, Oct 1945, Appendix B and B-1.

1/ On 4 Sept 1941, this land was sold to a private owner; however,
before this transaction took place, the Panamanian Government had
authorized the Army to use it at no charge. This arrangement
continued in effect under private ownership.

The special status of Rio Hato under the Defense Sites Agreement was further illustrated by a Panama Canal Department request in mid-1943 that an area of approximately 13 hectares, adjoining the Rio Hato tract and unintentionally omitted from the official survey, be added to the area already leased to the United States. Unpredictably, the Panamanian Government expressed concern over the fact that the Army was occupying portions of her territory without her knowledge and, accordingly, refused the request. In October 1943, however, Panama was induced to accede to the request by an offer of an additional annual rent of \$50 per hectare, retroactive to 7 December 1941, the date of occupancy.²²

SUMMARY

A year of negotiations with the Arias administration on the basis of Draft "B" of the proposed lease agreement failed to produce an accord between the two governments. The removal of Arias from the presidency of the Republic in October 1941 and the installation of a more cooperative chief executive created a better atmosphere for the defense sites discussions. Earlier, on 30 September, the State Department completed a new draft lease which was presented to the Panamanian Government in November. Besides reducing tenure from 99 years to the duration of the emergency, the new draft included provisions for more exclusive jurisdictional control by the United States, reciprocal

use of airport facilities, and payments computed on the basis of the individual sites.

The attack on Pearl Harbor found the United States in temporary occupation of certain Panamanian defense sites but without a written agreement formalizing this tenure. However, negotiations with Panama proceeded smoothly under the De La Guardia administration and, after the entrance of the United States into World War II, critical defense sites were made available to the Army with a minimum of delay.

By late March 1942, informal agreement had been reached on a revised version of the 30 September draft. General Andrews objected to the provisions that United States occupancy of the base sites would be limited to the period of the emergency only and that the trial and punishment of Panamanians accused of committing serious crimes on the defense sites would be handled by the authorities of Panama. According to Ambassador Wilson, the maximum concessions had been obtained from Panama and any further attempts to broaden the provisions of the draft agreement could result in a suspension of negotiations.

On 18 May 1942, the Defense Sites Agreement was signed by representatives of the United States and Panama and became effective one year later, on 11 May 1943, upon ratification by Panama. An exchange of notes, attached to the agreement, provided for the

USAFHS-63, Chap. III

84

addition of other Panamanian defense sites to the Panama Canal defense system if such areas were required in the future. Except for Rio Hato, the United States agreed to pay a yearly rent of \$1 for all public lands in the Republic and \$50 per hectare yearly for privately owned tracts. An annual rent of \$10,000 to commence on 1 January 1943 was established for the use of Rio Hato.

Chapter IV

ACQUISITION OF AIR BASES IN CENTRAL AND SOUTH AMERICA AND THE ANTILLES BY THE CARIBBEAN DEFENSE COMMAND

The need for air bases outside the Canal Zone and the Republic of Panama was recognized at least as early as January 1939 when Major General David L. Stone, Commanding General, Panama Canal Department, informed the War Department that

Modern aircraft with its constantly increasing range, power, speed and armament is daily increasing the potential threat of hostile attack on the Panama Canal. At the same time, it makes available a more powerful element in the defense of the Canal. In order to take full advantage of the increase in our air power and enable it to develop its full offensive and defensive strength, we must have outlying air bases located at a long distance from the Canal in both the Atlantic and Pacific Oceans.¹

According to General Stone, these bases would permit advance warning of an enemy attack and would enable the air forces to engage hostile aircraft before they could strike the Canal. For an effective defense enemy aircraft carriers would have to be detected and reported at a minimum distance of 1,000 miles from the Canal so that bombers would have at least ten hours to reach the carriers and break up the attack.²

General Stone noted that nature had favored the Caribbean area by providing "a necklace of islands" which extended from Cuba southeasterly to the northern coast of Venezuela. These islands offered

natural sites for the establishment of air bases to guard the Caribbean approaches to the Panama Canal. In the Pacific Ocean, Stone observed, only two island groups existed as potential air base sites--the Galapagos (Ecuador) and the Cocos (Costa Rica); consequently, he recommended that the War Department acquire them either by purchase or long-term lease.³ In deference to State Department policy, as enunciated by the President, that territory of the American Republics would not be acquired by the United States, the War Department in July 1939 rejected both the proposal for purchase and for 999-year lease which was deemed tantamount to purchase.⁴ At the same time, the State Department served notice that:

any endeavor on the part of any non-American power to purchase or lease the Islands [the Galapagos and Cocos] or to use any part of them for a naval, military, air, or even a commercial base under whatever terms would be a matter of immediate and grave concern to this Government.⁵

Between 1937 and 1940, numerous military flights over Central and South America had revealed the general unsuitability of airport facilities in Latin America. Airports had substandard runways, no weather reporting service, and virtually no communication facilities except those supplied by commercial airline companies; nevertheless, pilots noted certain landing fields which were strategically located and adaptable to Western Hemisphere defense plans. On 30 May 1940, Brigadier General Herbert A. Dargue, Commanding General, 19th Wing,

proposed to the War Department that it conduct an investigation to determine the possibility of developing and improving essential airports in Latin America with the assistance of commercial companies, such as Pan American Airways and Pan American-Grace Airways.⁶

On 30 July 1940, the War Department disclosed that it, along with the Navy Department, had initiated action to have Latin American airways facilities at designated locations developed and improved by Pan American Airways.⁷ On 2 November, the Secretary of War signed a contract with Pan American Airways, designated the Airport Development Program (ADP), for the improvement of certain airfields in 14 countries extending from Mexico, through Central America and the Caribbean Islands, to the eastern coast of South America.*

Precisely two months earlier, on 2 September, Great Britain, in exchange for 50 naval destroyers, agreed to grant 99-year air base rights to the United States in six of Britain's Caribbean possessions stretching from the Bahamas, through the Antilles, to the northern coast of South America.[†] In order to facilitate negotiations with the local Colonial Governments, the United States and Great Britain signed an agreement on 27 March 1941 for the use and operation of the bases in the British territories.

* See Chapters V-VII.

† See Chapter VIII.

During the spring of 1941, Major General Frank M. Andrews, Commanding General, Panama Canal Department Air Force, was in the final stages of molding the various air units of the Caribbean area into a well integrated organization. The emergence of the Caribbean Air Force in May 1941 represented the first occasion in United States history when defense operations had been expanded to include military bases in foreign countries. Upon assuming command in September 1941 of the newly created Caribbean Defense Command,^{*} Andrews (recently promoted to Lieutenant General) became the principal representative of the Caribbean Theater in the negotiations with foreign governments for Latin American air bases.⁸

A year earlier, Major General George H. Brett, Assistant Chief of the Air Corps, had recommended the acquisition of air bases in several countries near Panama to avoid the concentration of air units "in one basket." In order to accomplish this dispersion, he suggested that "action be initiated with a view to securing the appointment, by the President, of a commission for the negotiation of the leases or sites found necessary in the various countries."⁹ Since the War Department did not adopt this proposal or establish a similar procedure for land acquisitions, General Andrews was charged with this responsibility upon the outbreak of hostilities.

^{*} Andrews was the first airman to command all Army forces in the Caribbean.

BASES IN ECUADOR

After Pearl Harbor, Ecuador immediately offered the United States the use of her coast for the establishment of such military bases as might be deemed necessary.¹⁰ Although Talara was preferred as the southernmost Pacific patrol terminal, the willingness of the Ecuadorean government to make its Salinas area immediately available prompted General Andrews on 13 January 1942 to notify the American Minister in Quite of his intention to establish an air base at this site.¹¹

Following a reconnaissance of the Salinas area by Army and Navy officers, Brigadier General Edwin B. Lyon of the Caribbean Defense Command and a naval representative met with the Ecuadorean Minister of National Defense, upon the invitation of the American Minister, to discuss the establishment of a joint base at Salinas. On 24 January 1942, an agreement was signed which authorized the Commanding General, Caribbean Defense Command to construct landing fields in the Salinas district and General Andrews directed that the development of the base be started at once.¹²

During this same period, the State Department was discussing with the Ecuadorean Government a cooperative defense agreement between the two governments. In order to maintain harmony between the proposed defense agreement and the negotiations for the Salinas base, the State Department had instructed the American Minister that

the United States did not desire either to purchase or lease defense sites; instead, the Government of Ecuador was expected to conduct all land acquisitions, and the United States would reimburse her for reasonable expenses incurred in these transactions.¹³ This directive was followed in the formulation of the 24 January agreement. General Lyon agreed to recommend that the sum of \$35,000 be paid immediately to Ecuador to cover expropriation and indemnization costs with the understanding that this sum would represent the total cost assumed by the United States for the Salinas base rights. The agreement was to remain in force until one year after the signing of the peace treaties that would end World War II and was subject to renewal after the expiration date if both governments concurred.¹⁴

On 2 February 1942, the United States and Ecuador signed a Hemispheric Defense Agreement for the period of the emergency with the stipulation that it would remain in force until a later date if a threat of aggression by a non-American power against an American power should exist.¹⁵ A few days later, the Ecuadorean Foreign Minister notified the American Minister that his Government wished to make the following changes in the 24 January agreement:

(1) The addition of a specific statement that the United States would not acquire ownership of the land upon which the defense sites would be situated.

(2) The addition of an article authorizing the Ecuadorean officials to inspect the Salinas base.

(3) The incorporation of an article to the effect that the Agreement would remain in effect only so long as the Hemispheric Agreement of 2 February was operative.

(4) The incorporation of a provision for the disposition of base facilities upon the termination of the Agreement.

Irrespective of the \$35,000 payment, Ecuador wanted it understood that these concessions were freely granted as a part of her contribution to the defense of the Western Hemisphere.¹⁶

In mid-February, General Andrews recommended to the War Department that the above changes be adopted and, soon thereafter, sent Colonel Serafin M. Montesinos of the United States Army as his personal representative to discuss the proposed changes with the Ecuadorean officials. The negotiations were concluded quickly in an atmosphere of mutual understanding and the amendment to the 24 January agreement was signed by the two Governments on 20 February.¹⁷

Colonel Montesinos delivered the check for \$35,000 to the Ecuadorean Finance Minister who, in turn, designated a commission to begin evaluating the expropriation costs of Salinas properties required for the air base. Within a week after the commission had begun its work, the Ecuadorean Treasurer notified Colonel Montesinos that inflated land prices, high costs of building materials, and exorbitant claims by property owners, necessitated an increase in the expropriation costs to \$80,000, as determined by the commission.¹⁸ General Andrews found it difficult to understand why the original figure would not satisfy

the expropriation costs. He observed that, prior to the signing of the 24 January agreement, the Ecuadorean officials had estimated this sum to run less than \$18,000 and, in order to provide a flexible margin, General Lyon had almost doubled this figure. General Andrews pointed out that the funds were not intended to be used for land purchases since title to the real estate would vest in Ecuador, that Ecuador was already receiving substantial financial assistance from the United States in the form of Lend Lease funds, grants, and loans, and that, upon the termination of the war, Ecuador would receive the Salinas base, valued at several hundred thousand dollars, without cost. Noting the recent willingness of Peru to have an air base established at Talara, Andrews warned that the refusal of the Ecuadorean Government to abide by the provisions of the Salinas Agreement might necessitate greater use of the Talara site and a deemphasis of Air Force activities at Salinas.¹⁹

By the summer of 1942, it became evident that the expropriation costs for the Salinas site could not be contained within the \$35,000 limit and an additional sum of \$16,500 was presented to the Ecuadorean Government as liquidation of all claims against the United States under the agreement of 24 January, as amended. At approximately the same time, it was determined that the Salinas area would have to be enlarged to meet existing defense requirements. On 27 July, Colonel Montesinos, accompanied by the American Ambassador, and other military representatives, conferred with President Carlos Arroyo del Rio who granted

permission to make the extension to the base. The United States agreed to make rental payments, based on an annual computation, to all property owners in the affected area beginning on the date that military forces occupied the Salinas area. President Arroyo del Rio agreed to send a representative to Salinas to act as coordinator in effecting the additional acquisitions.²⁰

By late September, United States and Ecuadorean officials had completed a joint survey of the additional lands required at Salinas and defined the precise metes and bounds of the enlarged base. On 1 October 1942, Colonel Montesinos and a representative of the Ecuadorean Government signed an agreement for the new area which became the second amendment to the 24 January agreement. The United States agreed to pay the sum of \$20,000 to defray expropriation and indemnization expenses involved in the additional acquisitions, which made a total outlay of \$71,500 for the entire area. Ecuador authorized the United States to begin construction immediately on the enlarged site.²¹

Feeling that a more formal agreement than the one signed on 24 January might be desired to protect United States interest in the Salinas base, the War Department in mid-June 1942 forwarded to General Andrews a draft agreement, drawn up by Department staff officers, for study and recommendation. In general, the proposal embodied the provisions of the 24 January agreement, as amended, and provided for the addition of other defense areas in the future. The War Department observed that,

should Andrews approve the draft, it would be submitted to the State Department for further consideration.²²

While conceding that the proposed draft agreement was an improvement over the existing Salinas Agreement, General Andrews felt that more would be lost than gained by reopening negotiations since Ecuador considered the 24 January agreement as something more than informal. He further indicated that the United States might be compelled to pay higher expropriation costs to the Ecuadorean Government under a new agreement. The War Department concurred in Andrews' recommendations.²³ Hence, the agreement of 24 January 1942, as amended on 20 February and 1 October, continued to serve as the basic authority for the establishment and occupation of the Salinas air base by the Army Air Forces during World War II.*

Defense considerations in Ecuador were not confined to the mainland. Soon after the Pearl Harbor attack, General Andrews had appointed a board composed of Army and Navy officers to determine how Ecuador's Galapagos Islands could be used in joint defense operations. On 6 January 1942, the board recommended the establishment of a combined Army-Navy air base on Seymour Island and the construction of auxiliary fighter bases at other sites on the Galapagos archipelago to afford protection during the building phase. Two days

* See map, p. 109-A.

later, General Andrews authorized work on the Seymour Island Airdrome; War Department approval followed on 14 January.²⁴ At Andrews' request, the American Minister conferred with the Ecuadorean officials in late January and found them favorably disposed toward the establishment of the Galapagos base.²⁵

During the early part of February, Colonel Montesinos held several conferences with the Ecuadorean authorities for the purpose of negotiating an agreement for the use of the proposed base. As a result of these meetings, a draft agreement, similar in terms to the Salinas Agreement, was drawn up and presented to the Ecuadorean Minister of Defense on 24 February.²⁶ Three days later, the Defense Minister informed Colonel Montesinos that, while authority was granted for the most essential construction to proceed at the Galapagos base, the conclusion of a permanent agreement for the site would be postponed until the United States reached a final settlement with his Government in regard to Lend Lease matters, already under discussion for more than a year.²⁷

By May 1942, the Galapagos Islands were considered essential to long range defense plans for the protection of the Panama Canal; consequently, General Andrews directed Colonel Montesinos to sign no agreement with the Ecuadorean Government which might limit the use of the Galapagos base to the war period.²⁸ At the same time,

Andrews informed the American Minister in Quito that the continued occupation of the Galapagos base under the existing informal arrangement would be preferred to that under a formal agreement. Because of his inability to gain access to the details of the prolonged discussions between the two Governments about the islands General Andrews was apprehensive about signing any local agreement for fear of prejudicing State Department objectives. He did suggest, however, that the State Department approach the Ecuadorean Government in regard to arriving at a long term agreement for the occupation of the Galapagos base.²⁹

General Andrews followed up the above suggestion on 16 May by recommending to the War Department that the United States acquire by purchase or long term lease the entire Galapagos Archipelago through negotiations with Ecuador, for the following reasons:

(1) Seymour Island, site of the main air base, lacked a water supply, while sufficient quantities existed in the other islands.

(2) Potential air warning sites were available on the other islands.

(3) It was necessary for the United States to have jurisdiction over the entire population of the Archipelago to protect the military installations from acts of espionage and sabotage.

(4) The control of the islands by a single government, as opposed to two, would lessen administrative difficulties and misunderstandings.³⁰

After discussing the proposal with the State and Navy Departments, the War Department notified Andrews on 6 June that an attempt by the

United States to gain sovereignty over the Galapagos Islands would be contrary to national policy and, consequently, could not be approved. Since it was anticipated that the Ecuadorean Government would demand material assistance from the United States in return for the use of the Islands, the War Department recommended the conclusion of a temporary agreement for the Galapagos base while the question of assistance to Ecuador was being resolved at a higher level.³¹

During the rest of the summer, the Galapagos base agreement remained in abeyance. When General Andrews suggested on 21 June that Army and Navy officers meet with the American Minister in Ecuador to draw up a wartime agreement for the Seymour Island air base, the Minister replied that no action could be taken on this proposal until appropriate instructions were received from the State Department.³²

Upon learning through diplomatic channels that Ecuador was prepared to begin discussions on the Galapagos base agreement, General Andrews in mid-September submitted to the War Department a copy of the draft agreement which had been prepared by Colonel Montesinos in consultation with Ecuadorean officials on 24 February and recommended that it be used as a basis of negotiations. On 27 September, Andrews was notified that the War and Navy Departments had approved the draft; with the incorporation of minor changes, the State Department gave its approval one week later. The American Ambassador presented the proposed agreement to President Arroyo del Rio on 5 October and to

his Defense Minister on the following day. Several days later, the President informed the Ambassador that negotiations for the Galapagos agreement would have to await consideration of the draft by the Foreign Relations Committee before further action could be taken, since the Ecuadorean Congress was then in session.³³

Five months passed before discussion of an agreement for the Galapagos Islands was again revived.³⁴ In reply to a request by Lieutenant General George H. Brett, successor to General Andrews as Commanding General, Caribbean Defense Command, on 12 March 1943, Colonel Montesinos made a resume of the Galapagos negotiations and recommended that the Islands be purchased or leased for a period of 99 years. He pointed out that, under the proposed agreement presented to the Ecuadorean Government on 5 October, the United States would be obligated to evacuate the Seymour Island base at the end of the war, and he urged that the Ecuadorean Government not be pressed to sign the accord.³⁵ General Brett incorporated the recommendations of Colonel Montesinos in a letter to the War Department on 16 March and, two weeks later, the Department stated that, unless the Ecuadorean Government reopened negotiations, the military authorities should continue to use the Galapagos base under the existing informal arrangement. If negotiations should be revived, however, the War Department promised to impress again upon the State Department the military

USAFHS-63, Chap. IV

99

necessity for securing permanent operational control of the Islands.³⁶

Six months later, on 28 September 1943, General Brett informed the War Department that the time was appropriate for initiating negotiations with the Ecuadorean Government for a formal written agreement, granting the United States permanent operational control over the Galapagos Archipelago. Several days earlier, Brett had learned that a proposal was before the Ecuadorean Congress to elevate the Islands from the status of a territory to that of a province because of its strategic defense importance to the Republic. General Brett feared that this change would make it virtually impossible for the United States to gain permanent rights over the Islands in the future. Two weeks later, the War Department expressed full sympathy with the General's recommendation and stated that it would urge the State Department to begin negotiations at once.³⁷ In an informal meeting with the Ecuadorean Defense Minister on 2 December, Colonel Montesinos was told that both the Executive and Legislative bodies of the Government desired to execute a formal agreement for the Galapagos Islands.³⁸ Two days later, the State Department informed its ambassador in Ecuador that should the Ecuadorean Government so desire, a representative of the Caribbean Defense Command would be available to sign the Galapagos agreement at any time. Despite the apparent willingness of Ecuador to reopen negotiations at this time, the

resumption of discussions did not materialize.^{*39}

Before six months had passed, a revolution on 28 May 1944 removed from power the officials of the Arroyo del Rio administration who had participated in the negotiations for a Galapagos agreement.⁴⁰ By early June, the United States recognized the new government of Jose Maria Velasco Ibarra.⁴¹ In the meantime, the Joint Chiefs of Staff had forwarded to the State Department a statement of postwar requirements for military facilities in the Galapagos Islands. Observing that the proposed Galapagos agreement did not even meet the minimum military requirements, the State Department informed its Ambassador in Ecuador to consider the proposed accord on the basis of tactics rather than content. Since it was not felt that the time was right for negotiating a permanent agreement, the Ambassador was authorized to sign the temporary draft under the following conditions:

(1) The agreement would remain in effect for a period of five years, thereafter to continue in operation until either Government notified the other of its intention to terminate the accord. The agreement would end one year from the date of notification.

(2) Prior to signing the agreement, the Ambassador would inform the Ecuadorean Defense Minister that the United States reserved the right to negotiate a more permanent accord at a later date. The matter of compensation for the Islands would not be a topic of discussion by the American representatives.

* A review of available documents does not explain why negotiations were not resumed.

(3) If it would not delay the execution of the agreement, two articles should be incorporated in the instrument: the first, providing that, during the term of the agreement, the Ecuadorean Government would not grant commercial, military, or property rights in the Islands to any third Government or National without first securing permission from the United States; the second, Ecuadorean officials would not participate in the supervision and inspection of the defense areas on the Islands.⁴²

On 25 July, the War Department radioed General Brett to detail a general officer to Ecuador to participate with the Ambassador in the Galapagos negotiations.⁴³ In view of the importance of the discussions, Brett personally conferred with the Ambassador on 1 August and decided that it would be impossible to secure a temporary agreement beyond the existing verbal arrangement for the use of the Islands. The State Department advised the Ambassador that, if an agreement were not concluded by 10 August, it would be preferable to begin negotiations on a postwar agreement. The demands for extensive modifications of the draft agreement by the Ecuadorean officials and the realization by the State Department that the United States forces would be committed to a definite termination date if a long-term agreement were not signed within five years resulted in the abandonment of hope for securing a favorable wartime agreement with Ecuador for the use of the Galapagos Islands.⁴⁴ The Air Forces continued to use the Seymour Island base for the remainder of World War II under verbal authority from the Ecuadorean Government.^{*45}

* See map, p. 109-A.

BASES IN PERU

The good will flight of twelve B-18's to Lima in March 1941 impressed upon General Daniel Van Voorhis, Commanding General, Panama Canal Department (who accompanied General Herbert A. Dargue, Air Corps, in the lead aircraft), the need for air bases in Peru, as well as Ecuador, to protect the vulnerable Pacific approaches to the Canal and to deny to a potential enemy important petroleum resources in the critical Talara-Salinas area.⁴⁶ Two months later, General Andrews proposed to the War Department that an air route be established in Peru connecting Iquitos, at the headwaters of the Amazon River, with the eastern coast of Brazil. According to Andrews, this project would provide an alternate air route across northern South America and, at the same time, would bolster the Peruvian economy.⁴⁷ Because of a boundary dispute between Peru and Ecuador (which erupted into an undeclared war in July 1941), the War Department, while approving the project in principle, did not feel that the time was ripe for sponsoring the undertaking.⁴⁸

During the remainder of 1941, General Andrews held a number of conferences with Lt. Col. Uzal G. Ent, Military Attache to Peru, in an effort to evolve a workable formula for the establishment of the air route. Out of these meetings came one plan which called for the Peruvian Government, with United States assistance, to construct air

bases at Talara and Iquitos; however, the border conflict between Ecuador and Peru prevented this plan from materializing. Nonetheless, the Peruvian Government in cooperation with the International Petroleum Company initiated construction on an airport at Talara.^{*49} Soon after the Pearl Harbor attack, the War Department initiated action through the State Department for the use of the Talara base but it soon became evident that the Peruvian Government was not willing to reach a suitable agreement with the United States until her demands for Lend Lease requirements had been met.⁵⁰

While plans for the establishment of the Salinas base had been put into effect, the American Ambassador was negotiating with the Peruvian Government for the establishment of the Talara air base.^{*51} Upon the request of the Commanding General, Caribbean Defense Command, the Ambassador approached the Peruvian officials in early April 1942 and found them favorably disposed toward the project. In mid-April, General Andrews sent Colonel Bayard Johnson as his representative to inspect the proposed base site and participate with the Ambassador in the negotiations for an agreement. The Board of Officers for the selection of the Talara site, composed of Colonel Johnson, Colonel Uzal G. Ent, and two Peruvian officers, soon reached an understanding on a location for the base and an agreement between

* See map, p. 109-A.

the two Governments was signed on 24 April.⁵²

The 24 April agreement authorized the United States to construct a suitable landing field within a specified zone at Talara. Prior to, or simultaneously with, this construction, Peru agreed to place the Government air base, Capitan Montes, in operation. The United States agreed to reimburse the Peruvian Government, its companies, and its citizens for damages occasioned by the occupation of the Talara base. The Agreement was to be effective for the war period and, upon termination of the agreement, the Peruvian Government would receive the air base improvements without charge.⁵³

The site selected for the Talara base, approximately two and one-half miles long and two miles wide, was located on land leased from the Peruvian Government by a Canadian firm, the International Petroleum Company. On 26 May 1942, Major Norman J. Riebe of the Panama Engineer Division, in the presence of Colonel Ent, signed a proposed lease between the United States and the International Petroleum Company. Under this agreement, the Company would lease certain lands for use as might be deemed necessary to include the construction, operation, and maintenance of a military airdrome. The period of the lease would begin on the date of signature and would end six months after the termination of the present emergency and/or the termination of war (declaration of peace) between the United States and the Axis

Powers. Compensation for the use of the land would be determined at an annual rental of one Peruvian sol (15 cents in United States currency) per 40,000 square meters.⁵⁴

Copies of the 26 May lease were left with Colonel Ent for signature by the International Petroleum Company. When officials of the Company were approached, they declined to sign the lease without prior approval of the Peruvian Government for fear of losing by forfeiture existing rights over potentially rich oil deposits. Although the Peruvian officials appeared to favor the sublease, none of them would give written permission for this arrangement. In the meantime, the Company authorized the United States Army to begin construction on the Talara base immediately with the understanding that, for the Company's protection, a formal protest of illegal entry by United States forces on Company property would be filed with the Peruvian Government. On the assumption that Peru would eventually give formal approval to the lease, General Andrews in late May authorized construction to begin at the Talara site.⁵⁵

By the latter part of June, Colonel Ent was able to secure verbal permission from the Peruvian Government for the construction of the air base, and the Company permitted work on the site to begin. By mid-August 1942, the Talara air base was virtually completed and Caribbean Defense Command personnel occupied the installation.⁵⁶

During the early part of March 1943, the Company Manager approached the Embassy in respect to submitting the lease to the Peruvian officials for approval. Colonel Ent relayed this information to General Andrews on 5 March and requested that a representative be designated to meet with the interested parties in Lima for a discussion of the lease. On 10 and 11 March, Colonel Henry E. Cox of the Caribbean Defense Command conferred with Colonel Ent, the American Ambassador, officials of the International Petroleum Company, and the Peruvian Minister of Marine and Aviation. As a result of these discussions, it was decided that the Peruvian Government would make all arrangements with the Company in respect to the Talara base and that the United States would enter into no agreements with the Company for the use of the site. The Company agreed to submit a memorandum of its wishes and requirements to the Peruvian officials and, at a future date, the Peruvian Government would notify the United States authorities of any claims resulting from the use of the Talara base. The General Manager of the Company hastened to add that a nominal rental, similar to the \$50 fee stipulated in the 26 May lease, would be the sole claim on the part of the Company against the United States. As a final act, Colonel Cox cancelled Colonel Riebe's execution of the 26 May lease.⁵⁷ For the remainder of World War II, the United States Army Air Forces occupied the Talara base under the agreement of 24 April 1942.

In the meantime, on 1 May 1942, the War Department advised

General Andrews that the War and Navy Departments had submitted to the State Department for consideration a proposed general defense agreement to be signed by the United States and Peru. The draft was a prototype of the Hemispheric Defense Agreement signed with Ecuador on 2 February 1942. During a visit to the United States in early May, Peru's President Manuel Prado Ugarteche conferred with the State Department in regard to the proposed agreement. While expressing general approval of the instrument and authorizing his Ambassador to sign it, President Prado requested that the United States representatives meet with him on his return to Lima for further discussions. The State Department agreed to this arrangement.⁵⁸

On 4 June, the War Department forwarded a copy of the proposed defense agreement to General Andrews and advised him that the draft would be used as a basis of discussion at a meeting to be held within a week in Lima. It was noted that two separate accords would be discussed at this conference: the first, a general political-military defense agreement; the second, an agreement for the use of Peruvian defense sites as determined by military requirements.⁵⁹ Having reviewed the Talara agreement of 24 April, the War Department did not approve of negotiations between the United States and Peruvian citizens or companies, but preferred that all land acquisitions be conducted directly with the Peruvian Government. The War Department suggested that the Talara agreement

be revised and incorporated as an annex to the proposed agreement to be discussed at Lima.⁶⁰

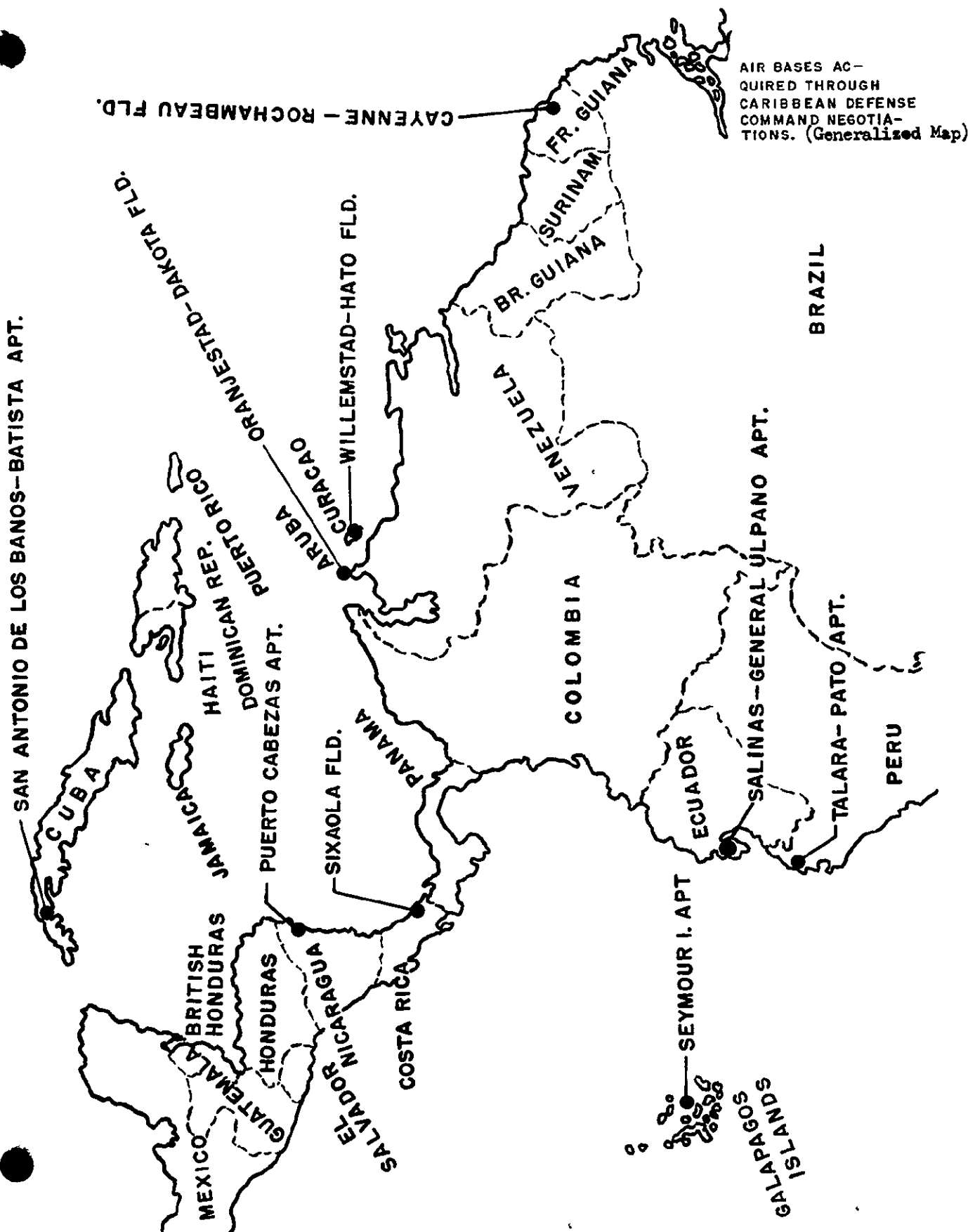
During the morning of 12 June, Brigadier General A. B. McDaniel and Colonel Montesinos, representing General Andrews, met with Navy officers aboard the cruiser, USS Concord, anchored near Lima, Peru, and agreed to a revision of the United States - Ecuadorean Hemispheric Defense Agreement of 2 February 1942 to meet the Peruvian situation. Within a few hours, the revision had been completed and had been approved by the American Charge d'Affaires for presentation to the Peruvian military representatives. During the afternoon of the same day, the United States representatives presented the draft agreement and explained its provisions to the Peruvian officials. On the following day, President Prado reviewed the draft, concluded that it was a repetition of the Political-Military Defense Agreement which he had approved and had authorized his Ambassador to sign in Washington, and that agreements for individual defense sites, such as the one for the Talara base, could be added as annexes to the Defense Agreement. The President felt that written documents were dangerous instruments in Peruvian politics, especially those which might be interpreted as an infringement on sovereignty. Under these conditions, he saw no necessity for additional written agreements in respect to defense sites.⁶¹

So far as land acquisition procedures were concerned, the

Peruvian Government agreed to handle all legal and financial arrangements relative to the expropriation and rental of defense bases. The Minister of Marine and Aviation promised to clear up the unsettled status of the Talara lease without the use of expropriation proceedings. After consultations with the Charge d'Affaires, the United States representatives concluded that the Political-Military Defense Agreement and the Talara Agreement of 24 April were adequate under the existing Administration to cover immediate defense requirements in Peru, and recommended that no further attempts be made to secure a detailed defense agreement but rather that each defense site be negotiated for on an individual basis and covered by a special accord executed by the Permanent Defense Commission.⁶²

Upon receiving the Lima Conference proceedings, General Andrews observed that he could understand the reluctance of the Peruvian Government to sign lengthy written documents since they amounted to little more than verbal arrangements. Except for the unclarified status of the Talara lease, Andrews considered the Peruvian defense situation to be satisfactory.⁶³ On 26 June, he recommended to the War Department that no further written agreements be made in respect to Peruvian defense sites and, two weeks later, the War Department concurred in this recommendation.⁶⁴

On 8 July 1942, the Peruvian Government approved the Talara agreement of 24 April and, on the following day, the United States and



Peru signed the Hemispheric Defense Agreement.⁶⁵ The latter agreement provided for the establishment of a Permanent Commission in Lima to initiate and execute defense measures, for the joint use of defense installations established by either Government, and for the payment of indemnification and damage costs by the Government constructing the defense site. The agreement was to remain in effect for the war period and might continue in effect thereafter if, in the opinion of both Governments, a danger of aggression existed.⁶⁶

BASES IN COSTA RICA

Simultaneously with the negotiations for air bases on the southern flank of the Canal, General Andrews was looking northward for defense sites to implement the requirements of the Caribbean Defense Command. On 21 January 1942, he notified the American Minister in Costa Rica that Department Engineers had been dispatched to the Sixaola River area to survey a prospective landing field, permission for the undertaking having been granted earlier by the Costa Rican Government. Andrews stated that he would send a representative to San Jose at any time after 26 January to make suitable arrangements with the Costa Rican officials for the establishment of the Sixaola River base and, if so desired, an officer would be designated to attend a preliminary joint meeting at the proposed base site.⁶⁷ Three days later, the American Minister informed General Andrews that the

USAFHS-63, Chap. IV

111

Costa Rican officials would be pleased to receive the General's representative at any time to discuss the Sixaola base and that a preliminary meeting at the site would be unnecessary.⁶⁸

On 3 February, Lieutenant Colonel Milo N. Clark and Captain Jack L. Coan of the Caribbean Defense Command conferred with the American Minister in San Jose who, in turn, arranged for a meeting to be held with the Costa Rican Security Minister. At this meeting, Colonel Clark pointed out the exact location of the base site and noted that the owner of the land, the United Fruit Company, had granted permission for the airfield construction to begin at once. Since construction personnel were already on the site prepared to begin work, it was estimated that the airfield improvements would be completed by early May. Colonel Clark expressed a sincere desire on the part of General Andrews to work in close harmony with the Costa Rican Government in the undertaking. The Security Minister gave wholehearted approval to the project and promised full cooperation on the part of his Government.⁶⁹

Sixaola Field was built and occupied by verbal agreement with the Chiriqui Land Company, a subsidiary of the United Fruit Company. No lease or other formal agreement was executed for the use of the airfield and the Army Air Forces was permitted to use the site during World War II without charge.^{*70}

* See map, p. 109-A.

BASES IN NICARAGUA

General Andrews observed early in April 1942 that in Nicaragua an airfield was needed at Puerto Cabezas for ship convoy service and antisubmarine patrol. On 15 April he notified the American Charge d'Affaires in Managua of the need for the development and use of this airfield. One month later, General Andrews was informed that discussions with the Nicaraguan Government had been authorized by the State Department.⁷¹

During the latter part of May, Colonel Montesinos of the Caribbean Defense Command conferred with the American Charge d'Affaires and President Anastacio Somoza and indicated the improvements contemplated for the Puerto Cabezas Airfield. President Somoza stated that his Government was unconditionally at the service of the United States and that any request made by the American representatives in the interest of mutual defense would be granted at once.⁷²

After the conference with President Somoza, Colonel Montesinos proceeded to Puerto Cabezas to make the necessary arrangements for the airfield. The airport property, consisting of 300 hectares, was owned by the Karata Indian Tribe and had been leased to the Bragman's Bluff Lumber Company, a subsidiary of the Standard Fruit Company. An airport had been constructed on the site by the Compania de Transportes Aereos Centro Americanos (TACA) for commercial

airline operations under an arrangement with the Lumber Company.

On 29 May, an official of TACA notified the American Charge d'Affaires that his Company approved of the development and enlargement of the airport by the United States.⁷³ The same day, the American Charge d'Affaires made a formal request to the Nicaraguan Foreign Minister for the occupation, use, and improvement of the Puerto Cabezas base, on the following conditions:

(1) Nicaragua would conduct all negotiations for the acquisition of land with its own Nationals and the United States, in turn, would compensate Nicaragua for all reasonable expenses involved in the negotiations and would pay for the lease of any privately owned land not included in the existing airport site.

(2) The United States would compensate Nicaraguan Nationals for any personal or property damage received as a result of the airfield construction or operation of military aircraft therefrom with the understanding that the Nicaraguan Government would assist in the settlement of all such claims.

(3) The United States would not acquire title to any lands and the airfield would be vacated within six months after the war. All fixed improvements would become the property of the Nicaraguan Government at such time without charge.⁷⁴

On 2 June, the Foreign Minister approved the request of the Charge d'Affaires under the conditions set forth above.⁷⁵

After a survey of the airfield had been conducted, it was determined that an additional 200 hectares would be required in order to expand and develop the existing facilities into a modern military air base.

On 31 May the lumber company signed a lease with the Karata Indian

tribe by which the sum of \$25 was paid for the use of the 200-hectare tract. The United States agreed to reimburse the lumber company for this expenditure at a later date.⁷⁶

The same day, Colonel Montesinos and a representative of the Bragman's Bluff Lumber Company signed a ten-year lease, with option of renewal for an additional ten-year period, for the construction of an air base on a 500-hectare tract at Puerto Cabezas. It was understood that private and commercial aircraft of Nicaragua, both domestic and international, would be authorized to use the airport facilities. The United States agreed to pay a nominal fee of one dollar for the use of the land during the period of the lease.⁷⁷

On 4 June, Colonel Montesinos notified General Andrews that all arrangements for the Puerto Cabezas base had been completed and, on the following day, the Charge d'Affaires conveyed the same information to the Secretary of State.⁷⁸ The War Department expressed its approval of the negotiations on 16 June.⁷⁹ For the period of World War II, the Army Air Forces used the Puerto Cabezas base under the lease arrangement of 31 May 1942 as approved by the Nicaraguan Government in the exchange of notes on 2 June.*

BASES IN CUBA

In mid-May 1942, the War Department, at the request of the

* See map, p. 109-A.

Commanding General of the Army Air Forces, asked the Stated Department to conclude an agreement with the Cuban Government for the establishment of an air base at San Antonio de los Banos, located 30 miles southwest of Havana and approximately two miles wouthwest of the town by the same name, to be used by a British Operational Training Unit.⁸⁰

On 19 June 1942, Ambassador Spruille Braden and Jose Manuel Cortina, Cuban Minister of State, signed an agreement which authorized the United States military forces to establish and operate an air base in San Antonio de los Banos on land to be furnished by the Cuban Government at no cost to the United States. It was further stipulated that Cuba would make available at no charge land for one or two satellite fields in the general vicinity of San Antonio de los Banos, if they should be needed. Without impairing Cuban sovereignty, the United States would be permitted to exercise military jurisdiction over the air base during the period of the war and six months thereafter. Upon termination of the agreement, the fixed installations would become the property of the Cuban Government without cost.⁸¹

By July 1942, the British Operational Training Unit project at San Antonio de los Banos was abandoned⁸² and, six months later, on 8 December, the air base was transferred from the First Air Force to the Caribbean Defense Command.⁸³ On 11 February 1943, the

airfield, consisting of approximately 2,000 acres of land, was designated Batista Airport⁸⁴ and on 8 June 1943 jurisdiction over the base passed from the Caribbean Defense Command to the Air Transport Command.*

BASES IN THE NETHERLANDS WEST INDIES

On 6 January 1942, the Netherlands Minister in Washington, in a note to the Under Secretary of State, stated that, in view of the contemplated withdrawal of British troops from the Islands of Aruba and Curacao, the United States military forces were invited to occupy and defend these holdings. The Under Secretary of State acceded to this invitation on the following day.⁸⁶

On the basis of this exchange of notes, the Army Air Forces occupied two airfields on the Islands during late January and early February 1942: Dakota Field on Aruba, and Hato Field on Curacao. Dakota Field, located two miles east of Oranjestad, consisted of 485 acres and Hato Field, situated six miles northwest of Willemstad, covered 721 acres. Both airfields were owned by the Government of Curacao and had been used by KLM, the Royal Dutch Airlines, for commercial operations. The Colonial Government permitted the United States forces to use and develop Dakota and Hato Fields for military purposes without charge. Three acres at Dakota and four

* See map, p. 109-A.

USAFHS-63, Chap. IV

117

acres at Hato were privately owned tracts; consequently, the Army agreed to pay an annual rental of \$31.83 for the former and \$47.84 for the latter under a lease arrangement.⁸⁷

The lack of a formal written agreement between the United States and the Netherlands for the air bases in Aruba and Curacao and the absence of a procedure for negotiating agreements on a local level with the Colonial Government became a matter of concern to the War Department by the fall of 1942. The Colonial officials preferred to have local defense agreements executed by the Netherlands Government in London since they did not feel empowered to consummate such accords. Likewise, the United States representatives were uncertain as to how far they could pledge their own Government in effecting solutions to local defense problems.⁸⁸

When asked by the War Department on 23 October 1942 to give his views on the advisability of negotiating a formal agreement with the Netherlands, General Andrews deferred making any recommendations until the Department briefed him on any previous agreements signed by the United States for the use of defense sites in the Netherlands West Indies.⁸⁹ Having received the necessary background information from the War Department on 6 November, Andrews was advised by the Commanding General, Trinidad Sector and Base Command that a formal agreement would not facilitate current construction activities, that

land acquisitions were being handled by an gentleman's agreement, but that a formal agreement would be desirable from the standpoint of preventing future misunderstandings between the United States and the Netherlands. General Andrews concurred in these views and recommended to the War Department on 26 November that a formal agreement be negotiated with the Netherlands Government.⁹⁰

After intensive study and discussion, the War Department concluded on 24 February 1943 that it would be unnecessary to sign a formal agreement with the Netherlands Government. This decision was reached with the observation that all major claims filed by the Dutch Government against the United States had been settled in a friendly spirit; that, since defense construction projects were virtually completed, the provisions of pertinent Army Regulations on claims for damages would be sufficient to protect United States interests in the future; and that the relationship of the Army and the local Colonial officials was one of mutual cooperation and friendliness.⁹¹ Consequently, the Army Air Forces used Dakota and Hato Fields during World War II by an informal gentleman's agreement based on the exchange of notes of 6 and 7 January 1942.^{*92}

* See map, p. 109-A.

BASES IN FRENCH GUIANA

At the request of the Commander of French Forces, the Commanding General, Trinidad Sector and Base Command, on 18 March 1943 sent a Military Mission of three officers to French Guiana to make tentative arrangements for United States military forces to enter the Colony for defense purposes. Two days later, a Joint Military Mission, consisting of an Army and a Navy officer, replaced the original Military Mission and continued discussions with the acting military head of government.⁹³

On 26 March, Jean Rapenne, the new Governor of French Guiana, arrived and, on the following day, the Joint Military Mission requested that the Governor authorize the Army to immediately occupy Le Gallion Airport,* located 15 miles south of Cayenne, and permit the Army and the Navy to establish and improve any defense sites in French Guiana deemed necessary for the war effort. The Governor approved this request on 2 April with the understanding that French sovereignty over the defense areas would not be impaired.⁹⁴

In the meantime, on 27 March, the Commanding General of the Trinidad Sector had recommended to General Brett, Commanding General, Caribbean Defense Command, that Le Gallion Field be

* The improvement of Le Gallion Airport under the ADP is discussed in Chapter VII, pages 210-17.

eliminated from consideration as an AAF installation and that a new air base be constructed on a site situated approximately four miles north of Le Gallion. Although Le Gallion was approximately 90 percent completed, a survey of the site revealed that it was unsuitable for Air Force operations because of poor drainage facilities, unsanitary conditions, and limited housing accommodations.⁹⁵

On 29 March, General Brett announced the concurrence of the War Department in the construction of the new airfield and, on the same day, a meeting was held in Recife, Brazil, attended by the Commanding General, Army Forces, South Atlantic, the Recife District Engineer, and a representative of General Brett, where recommendation was made that the new airfield be constructed. Governor Rapenne agreed on 2 April to furnish the necessary land for the new airfield without cost to the United States if provision were made for the French Guiana Government to purchase the improvements at the conclusion of the war.⁹⁶

On 21 April 1943, General Brett authorized the Division Engineer to proceed with the construction of the new air base, later to be designated Rochambeau Field.* At a meeting of the Military Mission and Governor Rapenne on 8 May, it was agreed that the

* See map, p. 109-A.

improvements accomplished at Rochambeau Field would remain the property of the United States Government. Ten days later, Governor Rapenne confirmed this understanding in writing and added that the airport real estate would be returned to the French Guiana Government within one year after the cessation of hostilities. The United States was not required to pay any costs for the use of the airfield.⁹⁷

The occupation of Rochambeau Field by the Army Air Forces during World War II was authorized by informal exchanges of correspondence between the Joint Military Mission and the Governor of French Guiana. No formal agreement was executed for the use of the air base.

SUMMARY

In the acquisition of air bases in Central and South America and the Antilles, the Commanding General of the Caribbean Defense Command relied on informal agreements with the various heads of governments. The sudden entry of the United States into World War II made it imperative that strategic air base sites be acquired as soon as possible. Under such conditions, it was not to be expected that uniform agreements would be reached with the various governments. In each case, the type of agreement arrived at depended on the circumstances existing within each country.

Between the formal agreement reached in Cuba and the verbal

understandings with Ecuador for the Galapagos base and Costa Rica for the Sixaola base were arrangements in the form of exchanges of notes and informal written agreements. The accords so reached were a necessary wartime expedient and the terms of the agreements were projected to the termination of hostilities. Under these conditions, the United States was at a disadvantage in the negotiations for the defense sites. Peru attempted to link financial assistance in the form of lend-lease funds and equipment to the discussions over an air base at Talara, in spite of the fact that the Peruvian Government would receive title to a modern air base without cost at the end of the war.

In the air base negotiations, the Commanding General, Caribbean Defense Command, was careful to keep the State Department representatives in the various countries informed of the Command's requirements and the steps being taken to implement them. As illustrated in the negotiations with Costa Rica and Nicaragua, leases were not executed with private companies until the appropriate government officials had been notified and proper authorization received. The Army Air Forces entered French Guiana and the Dutch possessions of Aruba and Curacao upon the invitation of the home governments of France and the Netherlands; nevertheless, informal arrangements were made with the local colonial officials for the establishment of the air bases.

More important than the type of agreement entered into was the

USAFHS-63, Chap. IV

123

spirit in which the accords were reached. Operating alongside the principle of Pan-Americanism was that of a common unity against the Axis Powers. The fact that the United States was willing to construct a large and expensive air base in the Galapagos reflected considerable faith in the existing verbal agreement with the Ecuadorean Government. In the same manner, the willingness on the part of the United States Government to deliver a modern air base to the host government upon the termination of the war indicated the good will and cooperative spirit of the more powerful neighbor to the North.

Chapter V

THE AIRPORT DEVELOPMENT PROGRAM--BACKGROUND AND WAR DEPARTMENT PARTICIPATION

The relationship of Pan American Airways (PAA) to the Airport Development Program (ADP) can be understood more fully by a brief survey of the company's activities in Latin America during the decade preceding World War II.

Shortly after its incorporation on 8 March 1927, Pan American obtained an exclusive flying permit in Cuba. By the provisions of the Kelly Air Mail Act of 1925, the United States Government in the summer of 1927 awarded the new Company a contract to transport air mail from Key West to Havana. On 19 October 1927, the first flight over this 90-mile route was made. With the passage of the Kelly Foreign Air Mail Act in the spring of 1928, the Government signed a new contract with Pan American for the Key West-Havana air mail service. Soon thereafter, Pan American received an exclusive 25-year aviation concession from the Cuban Government and, during the fall of 1928, the company inaugurated a regularly scheduled passenger service from Miami to Havana.¹

Early in 1928, Juan Trippe, President of Pan American, engaged the services of several lawyers, well versed in Latin American affairs, to obtain airport concessions for his company

in Central America and the Caribbean Islands. John D. MacGregor, an experienced roving diplomat and foreign representative of United States interests throughout Latin America, was selected to head this team. Agreement was reached on certain privileges to be obtained from the various Latin American governments in the establishment of the southern air routes. Incorporated into a set of agreements known as "Form B," these privileges provided for: (1) Franchise grants for 25 years to enable PAA to develop air routes within the respective countries; (2) Authority to establish air terminals at specified locations in the various Republics; (3) Exclusive right to transport mail; (4) Special customs privileges for airline passengers and baggage; and (5) Immunity from local taxation on aviation equipment imported from the United States.²

During March and April 1928, the Pan American diplomats initiated negotiations with the Latin American Republics, several weeks before the Postmaster General formally called for bids by commercial airlines for air mail service in that area. In some countries, the Pan American representatives were able to obtain only a temporary franchise, subject to renewals; in others, they were able to negotiate exclusive long term franchises. While several Republics agreed to the sweeping provisions of the "Form B" agreement, it was more often necessary to make compromises in the face of strong opposition from certain elements within these countries who were suspicious of PAA's motives. One of the arguments employed most

successfully was that an isolated republic could gain all of the advantages of air communication with its neighbors with little or no cost simply by permitting Pan American to establish the necessary airports and facilities within its territory.³

Evan Young, a former State Department official, joined Pan American in 1930 and became director of the company's foreign relations. Young succeeded in building up an informal department of foreign relations within the company which effectively formulated agreements with the American Republics. In conducting negotiations with the foreign governments, Pan American acted on its own initiative. Depending upon the particular situation at hand, Pan American might call upon the State Department for assistance or it might conclude an agreement solely through the efforts of its own company personnel. In justification of this latter procedure, Trippe observed that Pan American, proceeding unofficially as a private company, could act with a freer hand than the United States Government, that unpleasant political issues and popular suspicions could be avoided, and bilateral, or even unilateral, agreements could be made that were highly advantageous to both the United States and PAA.⁴

Between late 1928 and early 1930, Pan American's air routes grew from 251 to 12,265 miles. Whereas Cuba had been the only Latin American nation served by Pan American in 1928, the company during

1929 had established airports across the West Indies, through Central America, and on the South American mainland. Charles A. Lindbergh, technical advisor for Pan American, surveyed and extended the West Indies route through the Leeward Islands, the Windward Islands, and Trinidad to the British and Dutch Guianas. Two other noteworthy events in the evolution of the company occurred in 1929: the purchase of Compania Mexicana de Aviacion (CMA), making air facilities in Mexico available, and the consummation of a partnership between Pan American and the Grace Steamship Lines, giving birth to Pan American-Grace Airways and setting the stage for the extension of Pan American's operations from Panama to Argentina by way of the South American west coast. By 1939, Pan American had acquired a majority holding in the Colombian airline, Sociedad Colombo Alemana de Transportes Aereos (SCADTA), and had completed the final link in the vast air route, originating in the United States and extending throughout most of Latin America, by the acquisition of Panair do Brasil and valuable air rights along the eastern coast of South America. At this time, Pan American was operating over 20,000 route miles.⁵

In the decade before World War II, Pan American pioneered the seaplane to a high degree of perfection and by 1939 the Clippers were operating throughout Latin America from more than 200 airports. In September 1939, the company announced plans for extending land

plane service to the American Republics, using Douglas DC-3's and Boeing 307's of the "stratoclipper" type. One year later, the first "stratoclipper," with sealed cabins permitting flights at an altitude of 20,000 feet, was placed in regular service on the Miami-Canal Zone route and, soon thereafter, the Boeing 307's were introduced on routes throughout Latin America. The changeover from seaplanes to land based aircraft meant in effect the development of more extensive airfields to accommodate the larger and more modern airplanes.⁶

During the spring of 1939, President Roosevelt indicated an interest in the formulation of broad plans for expansion of airways in the Western Hemisphere.⁷ With the activation of the Puerto Rican Department on 1 July 1939 and the construction of a major air base at Punta Borinquen, the establishment of adequate airfields between the United States and Puerto Rico became necessary. On 29 July, Lt. Col. Carl Spaatz, Chief of the Plans Section, Office, Chief of Air Corps, presented a study to the Chief of the Air Corps in which it was recommended that an auxiliary airdrome be constructed at Port-au-Prince, Haiti. Noting that considerable air traffic was anticipated between Miami and Puerto Rico by way of Camaguey, Cuba, Colonel Spaatz observed that Port-au-Prince, being about half-way between Cuba and Puerto Rico, would provide suitable refueling facilities, an emergency landing field, and a base for tactical operations in the Caribbean area. It was further pointed out that

Pan American operated an airfield on the site which was capable of expansion for military use. Reports had indicated that the Haitian Government favored the establishment of a military air base in the Republic and would facilitate the acquisition of additional land required for expansion purposes. Spaatz urged that immediate steps be taken to reach an agreement with Pan American and the Haitian Government for this base.⁸

After further studies had been made in the Office, Chief of the Air Corps on the requirements for the Puerto Rican air route, the Chief of the Air Corps notified the War Plans Division on 12 August to initiate action to secure authorization for the use of the existing airports at Camaguey, Cuba and Port-au-Prince, Haiti and the emergency landing field at San Romana, Dominican Republic.⁹

During the fall of 1939, plans for the development of the air route between the United States and Puerto Rico were expanded to include aviation facilities as far south as Natal, Brazil. As a result of a bomber flight to the Natal area in November 1939, Maj. Gen. Delos C. Emmons, Commanding General of General Headquarters Air Force, recommended that the United States establish air bases at 400-mile intervals and emergency landing fields at 100-mile intervals along the route from Miami to Natal by way of the Caribbean Islands.¹⁰ Lt. Col. Robert Olds, who accompanied General Emmons on the Brazilian flight, suggested that Pan American facilities be

USAFHS-63, Chap. V

130

utilized to meet these air base requirements.¹¹ In late 1939, the Secretary of War, the Secretary of the Navy, and the Chairman of the Civil Aeronautics Authority (CAA) approved a plan for the development of air facilities between the United States and Natal which outlined in detail the size and character of each installation. The plan was then forwarded to the State Department for consideration.¹²

While there was general agreement among the various governmental agencies that the Latin American air facilities were required for national defense purposes, there was no such unanimity as to which organization would be charged with the responsibility for the program. The State Department, which did not favor the Army, proposed that the Civil Aeronautics Authority or some other civilian agency be given overall responsibility for the project; the Army concurred in this suggestion. But at a conference on 6 November 1939, the State Department stated its opposition to the installation and operation of the facilities by any governmental agency and proposed that a private company, such as Pan American, be employed on a contractual basis to perform the work. In January 1940, the State Department officially affirmed this position and offered to negotiate directly with the Cuban and Haitian Governments or with a private company for the desired facilities.¹³

On 13 February 1940, Colonel Spaatz was informed, during a War Plans Division conference, that an important Cuban official had

unofficially indicated that his Government desired to have the United States assist in the establishment of air facilities in that Republic. Since the State Department had refused initially to authorize the Civil Aeronautics Authority to establish these facilities, the agency was anxious to have the Secretary of State reverse this decision. The Civil Aeronautics Authority felt that first priority for establishing and operating the desired facilities should rest with it, not with Pan American. The War Plans Division felt that the next step should be for the State Department to call a meeting of the interested parties, including the War Department, the Civil Aeronautics Authority, and possibly Pan American.¹⁴

On 15 May 1940, the State Department called a meeting of the Special Inter-Department Committee for the purpose of discussing Army Air Corps requirements for airdrome facilities beyond the continental limits of the United States with particular reference to those desired at Camaguey, Cuba and Port-au-Prince, Haiti. During the meeting, a sub-committee, consisting of one representative each from the agencies represented (War Department, State Department, and the Civil Aeronautics Authority), was appointed to prepare specific recommendations for the consideration of the Committee at its next meeting.¹⁵

On 22 May the sub-committee recommended that the State Department direct the formation of a civilian company to carry out the

program on a non-profit basis. By State Department authority, the company would negotiate with the Cuban and Haitian Governments leases to acquire the land needed for the airfield construction; at a later date, further authority would be extended to cover the airdrome facilities to Natal, Brazil. All operating personnel would be trained by the Civil Aeronautics Authority, with the operation and construction of the air installations to be covered by a contract signed by the War Department and the civilian company. In addition to this proposal, the sub-committee presented three alternate schemes to the Committee: (1) create a new Government agency to operate under CAA; (2) contract with Pan American to accomplish the project; or (3) contract with the various American Republics to carry out the project.¹⁶

By early June 1940, the alternatives had been reduced to schemes (1) and (2) above and the State Department presented them to President Roosevelt with the observation that a contract between the United States Government and Pan American for the development program appeared to be the most practical choice. Following the recommendation of the State Department, Roosevelt authorized the War Department to employ Pan American for the project prior to 1 July and approved the use of emergency defense funds to defray the costs of the work.¹⁷

Earlier, on 30 May, Brig. Gen. H. A. Dargue, Commanding

General of the 19th Wing, had informed the War Department that Central and South American airdrome facilities were unsuitable for military operations. Noting that the Pan American airfields would constitute a good starting point for an expansion program, General Dargue suggested that Pan American be entrusted with the improvement and development of the landing fields since this procedure would be more economical and less likely to create unfavorable publicity as the improvements could be attributed to the introduction of larger types of commercial land based aircraft.¹⁸ On 30 July, the War Department replied that joint action had been taken with the Navy Department to have the Latin American airways facilities developed by Pan American. The specified airfields to be developed had been determined by the Army-Navy Planning Committee in late June.¹⁹

During the early part of June 1940, Juan Trippe and his PAA representatives were invited to a secret conference at Washington and informed of the airport development requirements. On 19 July, at a conference attended by Col. John H. Jouett, Trippe, and representatives of the Army, Navy, and Pan American, the latter formally agreed to undertake the program. Negotiations for a suitable contract were carried on for the next four months.²⁰ Lt. Col. Clayton Bissell of the War Plans Division was officially designated to represent the United States Government in the discussions with Pan American. Colonel Jouett, a retired Army officer who was President of the

Aeronautical Chamber of Commerce, acted in a liaison capacity between the War Department and Pan American and assisted Col. Myron C. Cramer of the Judge Advocate Generals Office, in drafting the final contract. Coordination between the Office, Chief of the Air Corps and the War Department General Staff was handled for the most part by General Arnold with Bissell. All matters pertaining to the contract were regularly submitted to the State Department for consideration and comment.²¹

Negotiations were concluded late in October 1940 and a contract was signed by the Secretary of War with Pan American on 2 November 1940 for the Airport Development Program. In approving the Airport Development Program contract, the State Department advised the War Department on 24 October that it was impracticable for the United States, either by treaty or other agreement, to obtain the desired facilities directly from the Latin American Republics concerned. Many of the important details of the contract were arranged personally by General Marshall and Secretary of War Stimson with Colonel Jouett who represented the War Department in the negotiations until September when poor health removed him from the discussions. By that time, however, most of the work on the contract had been completed.²²

Secrecy was a primary consideration in the selection of Pan American to conduct the ADP. During this period, neither the

United States nor any of the Latin American Republics was at war; consequently, any overt act which appeared to remove them from their position of neutrality might have provoked an Axis attack against American territory. For more than a decade, Pan American had been operating throughout Latin America and had established a network of airfields which were capable of being expanded as military air bases; Pan American had successfully maintained good relations with high government officials in the various Republics; therefore, it seemed more practical to permit Pan American to handle the air base negotiations through its own company organization, utilizing aviation agreements already executed by the Company with the various governments, than to request the State Department to make independent treaties and agreements with each country for the desired facilities. The disclosure of United States interest in and sponsorship of the Airport Development Program could have delayed the construction of vital air bases for at least a year and a half.²³

It was not easy for Pan American to accept the responsibilities entailed by the contract. Trippe was apprehensive lest his company jeopardize its excellent reputation of 12 years standing in the Americas by undertaking such a venture. If the clandestine arrangement between the United States Government and Pan American should be revealed, the company stood to lose considerable prestige in the eyes of the

Latin American peoples. After Pan American had been assured that the Airport Development Program would be classified and that the improvements would be carried out ostentatiously as a commercial endeavor, the company agreed to sign the 2 November contract.²⁴

In presenting the Airport Development Program contract to the Secretary of War for signature, Maj. Gen. Allen W. Gullion, the Judge Advocate General, made the following observation:

The Pan American is the only seller of services which your military advisers say are vitally necessary to the defense of the Panama Canal and other interests of the United States. Only the fact of vital necessity would justify this contract, which is in effect a subsidy of Pan American, though it is true that the corporation maintains that it does not need most of the enlarged facilities which the contract will provide and states that it is entering into the agreement as a public service.²⁵

With the introduction of the Boeing "Stratoclinchers" in regular service to Latin America in August 1940, the requirement for airfields with longer runways and more elaborate facilities, as well as entirely new airports, became more pressing. It was logical, then, that Pan American should seek concessions from the Latin American Republics to improve existing airports and establish new ones. The expansion of commercial air services by Pan American and the need for improved airways facilities by the United States, both occurring by coincidence at approximately the same time, joined to supply the key to the Airport Development Program. While improving Latin American airports for use by Army Air Corps planes, Pan American would conduct the

development in a regular commercial manner, justifying this activity on the company's need for enlarged facilities to accommodate the larger land based airplanes.²⁶

On 2 November 1940, the Secretary of War signed a cost-plus-fixed-fee contract with Pan American Airports Corporation--a dummy corporation specifically organized with the consent of the United States to protect Pan American's original financial arrangements and to insure secrecy in regard to the company's participation in the program--for the development and improvement of 25 land airports in 14 Latin American countries. Simultaneously with the execution of the Prime Contract, Pan American Airports Corporation signed a Subordinate Agreement with Pan American to perform the necessary airport construction work.²⁷

President Roosevelt originally allotted \$12,000,000 to the War Department out of the emergency fund, established by the Military Appropriation Act of 1941 (approved 13 June 1940), for the accomplishment of the Airport Development Program. An additional \$7,000,000 was authorized by the President under a Supplemental Agreement of 6 April 1942. By late December 1943, the President stipulated that the United States Government would not obligate itself to pay more than \$70,960,429.24 for the overall costs of the Airport Development Program. The President directed that provision be made for repayment

of the loans and advances taken from the emergency fund, as approved by the Secretary of War, through the Federal Loan Agency. The Export-Import Bank of Washington authorized a loan to Pan American so that a revolving fund could be established for the initiation of the Program. The only alternative to the use of the President's emergency fund was a direct Congressional appropriation, but this act might have compromised the secrecy of the undertaking and jeopardized the entire project.²⁸

The Prime Contract became effective on 2 November 1940 and was to remain in operation until 30 June 1942; however, by supplemental agreements, this period was extended to 30 June 1944. The contract provided that the United States would assume obligation for any construction work initiated prior to the expiration of the contract, even though the work had not been completed until the termination date of the Agreement had passed. To insure prompt fulfillment of the contract, the Secretary of War agreed to appoint a military officer as Deputy Contracting Officer with the responsibility of inspecting the construction activities and checking Pan American records and accounts pertaining to the Airport Development Program. The officer would also act in close liaison between the War Department and Pan American with respect to any matters arising from the execution of the contract.²⁹

In acquiring land to construct new airports, Pan American

agreed to limit the options to \$500 each and to withhold construction until the site and plans had been approved by the Contracting Officer. Pan American, or its subsidiary, was responsible for acquiring by purchase, lease, license, or other method, such additional land from the owner or governmental authority as might be required for airport development. The United States, in turn, would assume all costs and expenses involved in the acquisition process.³⁰ While it was desired that Pan American acquire property and interests that could be transferred by the company, this requirement could be waived by the Contracting Officer if Pan American proved that undue delay in construction would result or that negotiations for the land had been substantially completed by 20 March 1942, thereby making it impractical to reopen discussions.³¹

Under the terms of the 2 November Agreement, United States military aircraft received the right to use the Airport Development Program facilities for a period of 99 years from the date of expiration of the Contract, to the extent that Pan American or its subsidiaries was in a position to confer such a right, and the privilege of using any other Pan American facilities in Latin America.³² Originally, the Contract contained no provision in regard to the use of the Airport Development Program facilities by other commercial airlines; however, on 29 April 1942, a supplementary agreement provided that, pending

an official determination by arbitration within six months after the end of the war, any air carrier duly certified by the United States would be allowed to use the improved airports.³³

Between 3 July 1941 and 20 June 1945, the basic Airport Development Program Contract was modified by 12 supplemental agreements. After the United States entered World War II, it was necessary for the original Airport Development Program plans to be expanded substantially to meet wartime requirements; consequently, these supplemental agreements provided for the addition of new airports, substitution of some sites, and deletion of others. The airports scheduled for improvement under the 2 November Contract, as modified by supplements, were situated on or near commercial landing fields under the control of Pan American or its subsidiaries. In the spring of 1942, the War Department noted the need for the development of certain airports, strictly military in nature, at locations where Pan American had no prior operating rights. The Department considered whether the contemplated air bases should be placed under the original Airport Development Program Contract or whether an entirely new contract should be executed by the United States Government and Pan American to cover the sites. Agreeing upon the latter course of action, the Secretary of War signed Contract W-2168-eng-8 with Pan American on 8 June 1942 (approved 15 August 1942). Between

16 November 1942 and 3 May 1945, the new Contract was amended by three supplements, designated "A," "B," and "C," which altogether added five new locations* to the ADP.³⁴

Within a month following the signature of the 2 November 1940 Agreement, Pan American started negotiations for government rights, franchises and concessions, and land acquisitions at most of the Airport Development Program sites in Latin America. Vice President Evans Young, who was placed in charge of all Airport Development Program negotiations, issued appropriate instructions to company representatives at the various sites through the Pan American Division Managers. The Western Division, located in Brownsville, Texas, had jurisdiction over airports located in Mexico, Guatemala, Nicaragua, Colombia, and Venezuela while the Eastern Division, situated in Miami, Florida, maintained supervision over Airport Development Program sites in the remaining countries. Though not participating directly in the discussion, the Division Managers were expected to follow closely the progress of the negotiations in order to prevent unnecessary delays.³⁵

Early in December 1940, Young forwarded to his Division Managers for their consideration and comment a general outline to be

* The additional airport sites were located at Tehuantepec, Mexico; Cozumel, Mexico; San Jose, Guatemala; Puerto Barrios, Guatemala; and San Julian, Cuba.

followed in the Airport Development Program negotiations. It was assumed that varying local conditions in each Latin American Republic would necessitate modifications of the basic outline and, consequently, detailed instructions would be issued for each site. Negotiations were to be initiated only upon receipt of proper authorization from the New York office. Only after preliminary surveys of land were completed could arrangements for the acquisition of the airport sites be begun.³⁶

Concerning the Airport Development Program negotiations, Young observed that:

. . . in these negotiations we are not taking the position of a trader, but that of one party in a joint enterprise. In other words, we are undertaking a program which is impossible to accomplish without the cooperation of the governments concerned, and which, if completed, will be of great benefit to those governments as well as to ourselves. Those governments, however, are not being asked to contribute anything toward the direct cost of the undertaking, and are simply being requested to cooperate by eliminating all non-productive costs and by not penalizing us through increase of taxes, etc. for making the contemplated improvements.³⁷

Young observed that Pan American would not permit funds for airport improvements to be dissipated in duty, taxes, or other intangible items since each dollar spent in nonproductive costs would mean a dollar less for direct airport costs. The general outline for negotiations provided for the elimination by the governments concerned of customs charges on construction materials and equipment required for the Airport Development Program.³⁸

Young noted that Pan American desired to purchase, rather than lease, the airport land in order that greater protection could be afforded the improvements and that the fixed assets of any local subsidiary would not be increased disproportionately. Should purchase be impossible, however, a long term lease of 15 years with option to renew was desired. Operating rights for United States owned aircraft and airplanes belonging to Pan American and its subsidiaries were to be secured from the Airport Development Program countries for a 15-year period, running from 30 June 1942 (original estimated Airport Development Program completion date) to 30 June 1957.³⁹

On 6 January 1941, Young sent to his Division Managers for consideration and guidance of Pan American representatives a document entitled "Heads of Agreements," which covered nine principal items to be obtained for the Airport Development Program in the various countries. Observing that it might not be possible to obtain acceptance of all the items and that because of special circumstances it might be necessary to include additional items, Young recommended, nevertheless, that the "Heads of Agreements" be closely followed inasmuch as Pan American representatives were already familiar with it and had used it successfully in the past.⁴⁰

USAFHS-63, Cahp. V

144

Item 1 of "Heads of Agreement" enlisted the aid of the particular Government in the acquisition of additional land by purchase for the improvement of land airports; therefore, in cases where only a lease could be obtained, modifications would be necessary. In regard to Item 2, Pan American did not wish to disclose the amount of Airport Development Program funds to be expended in the various countries; however, in the event that such disclosure became necessary the amount disclosed was to be extremely conservative and recipients of the information cautioned to keep the amount confidential until land acquisitions were completed. Concerning operating rights as contained in Item 9, Pan American was willing, if necessary, to accept a term less than 20 years but, in no case, would one with an expiration date prior to 30 June 1957 be acceptable. *41

In late January and early February 1941, Vice President Young called the Division Managers' attention to a type of agreement which had been formulated for those countries where Pan American did not own the airports to be improved. Under this arrangement, the airport

* The remaining items included in "Heads of Agreement" are not specifically concerned with land acquisitions and are therefore omitted from the discussion.

development project would be divided into two entities: private facilities, consisting of such improvements as buildings, communication equipment, emergency power supplies, refueling equipment, etc.; and public facilities, comprising runways and night lighting equipment. In the selection of the airport site, company representatives, keeping the above distinctions in mind, would make provision for two general areas. The government concerned would then acquire ownership of the land and, in turn, execute a long term lease with Pan American only for the area set aside for the construction of the private facilities. In the installation and maintenance of these facilities Pan American would treat the leased area as one of its own airports by exercising full control and charging fees for the use of the facilities. In the area designated for public facilities and not under company control, Pan American would build the runways and install night lighting equipment for the subject government. Upon completion, the value of this work would be determined and the amount would be entered on government records as a credit in favor of Pan American. The company would be entitled to levy charges due to the government against this credit until either the credit was exhausted or the amortization period came to an end. In effect, this meant that the construction work performed in the "public" area was simply an advanced payment by Pan American for future fees and other charges which the government might levy against the company. Except for aircraft of the United States

Government and the foreign government concerned, Pan American sought to restrict the use of the improved airports by commercial interests to American or national operators. If through previous agreements by the government concerned such a restriction could not be imposed, Pan American desired that its airlines be granted the most favored position in view of the company's sole responsibility for the Airport Development Program.⁴²

The ultimate success of the Airport Development Program negotiations, and to a large extent the Program as a whole, depended upon militant observance of the security classification of the 2 November Contract. On 6 November 1940, The Adjutant General officially notified the Chief of Engineers that the greatest care would be taken by the Engineers in the supervision and inspection of the Airport Development Program so that the United States would not be identified as the actual sponsor.⁴³ As Airport Development Program supervisors, military representatives of the Corps of Engineers were required to visit the various foreign localities in civilian clothing and to pose as employees of Pan American. Not until the early part of 1943 were United States Government employees, either military or civilian, allowed to participate openly in the Program.⁴⁴

On 28 November 1940, Col. C. L. Hall, Deputy Contracting Officer from 18 November 1940 to 23 January 1941, informed the

Civil Aeronautical Authority Administrator that all officials of the United States Government who desired to visit the Airport Development Program sites would be required to have special passports. In order to prevent possible embarrassment and to minimize potentially adverse publicity, a standard "little white lie" was to be used by authorized inspectors in the event that they should be cross-examined by foreign officials:

The Government engineers travelling from time to time over the line are engaged in looking over the new ports being built by Pan American. Since so much of the revenue of the company is derived from postal funds, the government has decided that it wants to keep under periodic examination the results of the very heavy expenditures which the Pan American has seen fit to make on the new airports.⁴⁵

Only a few key representatives of Pan American were informed that the United States was sponsoring or was interested in the airport improvements. Even United States officials in many of the Latin American countries were not advised of the Airport Development Program arrangements.⁴⁶ Col. L. S. Dillon, Deputy Contracting Officer from 24 January to 8 March 1941,⁴⁷ in giving a resume of his duties, stated:

For some time even the State Department representatives in these [Latin American] countries did not know the Government had any interest in the work [ADP] and, in several countries, they were actually hampering the work. Therefore a request was made to the State Department through the War Plans Division that their representatives be given at least enough information as to the interest of the Government in this work so that they would not hinder the work. In two countries, I was able to win over two of our ministers who had previously been very antagonistic towards the work.⁴⁸

As early as the summer of 1941, the Secretary of the Air Staff, Office, Chief of Air Corps, requested that the War Department General Staff relax the security classification of the Airport Development Program in order to promote more effective supervision and inspection of the Program. The Air Staff felt that statements in the press by President Roosevelt and testimony by General Marshall before the Senate Committee on Military Affairs concerning the improvement of Latin American airports had rather clearly revealed that the United States was sponsoring the construction work and, consequently, that the need for secret classification of the Program no longer existed.⁴⁹ The War Plans Division took a contrary position. Brig. Gen. L. T. Gerow observed that, although recent publicity had indicated United States interest in the airport improvements, the remarks had been very general in nature and no details of the Program had been revealed. The General felt that any relaxation in the security classification of the Airport Development Program at that time would be detrimental to its completion.⁵⁰ The Airport Development Program contract retained its secret classification.

Although the effort to downgrade the Airport Development Program was unsuccessful in 1941, there was evidence during 1942 of some relaxation of the secrecy surrounding the Program. In most of the foreign countries involved, State Department representatives

informed high government officials of the interest of United States in airport improvements and, generally speaking, the foreign officials were sympathetic to the Program. In several countries, the State Department withheld this information for fear of grave consequences to the continued success of the Program. The Special Assistant to the Secretary of War declared:

The eventual cooperation and acquiescence of certain top Latin American officials, who sincerely recognized the great importance of the projects in the over-all war effort, might well have been capitalized by political opponents to the impairment of the entire undertaking. The need for the speedy completion of the bases was too great to warrant the taking of any possible chances.⁵¹

Prior to 7 December 1941, progress on the Airport Development Program was impeded by numerous difficulties with various foreign governments over the importation of American personnel and equipment, delay of essential materials by complex custom regulations, and approval for the beginning of construction on the sites. None of these problems, however, was more intricate than the negotiations for property rights. After the United States entered World War II, the attitude of the various Latin American countries improved and much of the red tape which had caused delays disappeared. In many instances, however, negotiations for land acquisitions continued long after permission had been received from the foreign governments to initiate construction activities. In other cases, airport locations were changed because land owners refused to sell the necessary land

or asked exorbitant prices for their holdings. Since the methods of land acquisition differed from country to country, and at times from location to location within a country, it is necessary at this time to consider the individual negotiations with the various governments involved in the Airport Development Program.

SUMMARY

As early as 1928, Pan American began seeking airport concessions in Latin America as a result of the initiation of flights to Cuba a year earlier. While the emphasis was on seaplane services during the 1930's, Pan American began to change to land based aircraft by 1940. This move called for larger and more modern airports to accommodate the new "stratoclinchers." Simultaneously in 1940, the Air Corps began planning for implementation of improved air base facilities in the West Indies and the Caribbean area.

During the summer of 1940, a meeting of the Special Inter-Department Committee was held to discuss means for accomplishing the airfield improvements in Latin America. Based on several recommendations submitted by the Committee, a decision was made by President Roosevelt to employ Pan American to perform the airport improvement project.

On 2 November 1940, the Airport Development Program contract was signed by the War Department and Pan American.

Since the United States was not in a state of war, secrecy concerning governmental participation in the Program was a matter of prime consideration. Only a few key Pan American officials and United States representatives in Latin America were aware of United States sponsorship of the Airport Development Program. Some Latin American countries were not informed of United States involvement at even the highest governmental level. Pan American organizational procedures were used in the administration of the Program for reasons of expediency and security. Negotiations for land were conducted by Pan American through the use of company machinery, and the company was reimbursed for land acquisition expenditures by the United States. The United States, in return, received the right to use the Airport Development Program facilities for 99 years from the contract expiration date. In many cases, Pan American had concluded airport agreements with Latin American Republics which continued to remain in force.

Funds for supporting the Airport Development Program were derived from the President's emergency fund. Originally, it was contemplated that 25 airports located in 14 Latin American countries would be developed and improved under the Program. The expansion of the undertaking is indicated by 12 supplemental modifications of the prime contract between July 1941 and June 1945.

Chapter VI

THE AIRPORT DEVELOPMENT PROGRAM
IN BRAZIL, MEXICO, AND CUBA

The negotiations for the acquisition of land and other Airport Development Program rights in the various Latin American countries were conducted by Pan American Airways representatives who received their instructions from Vice President Young through the appropriate Division Managers. By late December 1940, Young had issued basic directives to these representatives with the understanding that detailed instructions would follow as the negotiations developed. It was not possible, however, to institute land negotiations until the Pan American engineers had determined by surveys the amount of property required for the airport improvements. In some cases, these surveys revealed that the existing airport could not be expanded to meet Airport Development Program requirements and, consequently, it became necessary to locate a new airport site. In other cases, military requirements dictated the inclusion of additional sites.

Eventually, the Airport Development Program involved the construction and/or improvement of 35 land bases in 13 countries.*

* A total of 48 land bases, seaplane bases, and Navy lighter-than-air bases were constructed under the Airport Development Program; however, only the land bases are the subject of this study. Also included in the Program was a land base at Liberia, Africa; this site is likewise omitted from discussion since it lies outside the geographic area of this study. (See map, p. 165-A.)

The total construction cost of the Program amounted to approximately \$89,000,000.¹ In view of the magnitude of the Program, Pan American Airways used differing approaches with the various governments based on their individual characteristics. For this reason, it seems appropriate to discuss the Airport Development Program negotiations in a like manner and to bring to light those factors which enabled the airport improvements to be accomplished in each Republic.

BRAZIL

The Brazilian Government originally authorized PAA to operate an airline service in its territory on 28 May 1929.² On 19 August 1930, Pan American Airways acquired the assets of the New York, Rio and Buenos Aires Lines (NYRBA), which had inaugurated services between Miami and Buenos Aires during the spring of 1930. Incidental to the purchase of NYRBA, Pan American Airways acquired the stock of a Brazilian subsidiary which was designated Panair do Brasil and charged with the company's operations in the Republic.³

Dr. Cauby C. Araujo, Vice President of Panair do Brasil, was designated by Evans Young to handle the Airport Development Program negotiations with the Brazilian Government. Pan American anticipated that the Brazilian negotiations would be the most difficult of any to be conducted in Latin America, and Dr. Araujo, before making a formal approach to the Brazilian officials, carefully

investigated possible methods which might be employed in the Airport Development Program discussions with the Government.⁴

On 20 January 1941, Dr. Araujo, on behalf of Panair do Brasil, filed an application with the Brazilian Government for permission to expand and improve government owned airports at Amapa, Belem, Sao Luiz, Fortaleza, Natal, Recife, Maceio, and Salvador. Improvement of these airports was essential to accommodate new Panair and Pan American land based aircraft which would soon be in operation, replacing the seaplanes. Dr. Araujo suggested that the costs of improving the eight airports be considered as a credit, instead of a cash return, in favor of Panair and PAA against which the companies could charge all fees and taxes assessed in the future by the Brazilian Government. At the same time, Panair wished to construct privately owned aviation facilities in areas adjacent to the airports for company use. In the event of war, these private facilities could be used by military aircraft of Brazil for national defense purposes. Panair agreed to purchase or to have made available to it the necessary land for the airport improvements, and it asked the Brazilian Government to facilitate land acquisitions either through expropriation proceedings or by rendering assistance to the company on the State and Municipal levels. Immediate authority to begin the airport construction was requested in order that the work might be completed not later than

June 1942.⁵

For six months, Dr. Araujo and General Francisco Jose Pinto, Secretary General of the Brazilian National Defense Council, discussed the Panair Application. The fact that neither the United States nor Brazil was at war with the Axis Powers prevented disclosure of the true purpose behind the airport construction and gave the project the appearance of being only a commercial undertaking; naturally, the Brazilian Government failed to appreciate the urgent need for approving the Panair Application. The portion of the application pertaining to the construction of privately owned facilities on areas adjacent to the airports proved to be the major stumbling block in the negotiations. After it was agreed that upon completion these facilities would be turned over to the Brazilian Government for purposes of ownership, maintenance, and operation and that the total cost of the construction program would be considered by Brazil as a credit in favor of Panair for all airport charges levied against Panair and Pan American aircraft, the discussions progressed more rapidly. Under the new arrangement, the Brazilian Government would lease the "private facilities" to Panair for a 20-year period at an amount equal to the construction cost which would be considered by the Government as an advanced payment for the lease.⁶

The Panair application was approved and embodied into Decree Law No. 3462 of 25 July 1941. By its provisions, Panair was authorized to initiate construction at the eight airport sites within 60 days from the

date of the Decree Law. The Brazilian Government agreed to institute expropriation proceedings, whenever requested to do so by Panair, against lands required for the airport development.⁷

Panair created an organization known as the Airport Construction Section (Seccao de Construcacao de Aeroportos) to perform the airport improvements under the Decree Law.⁸ Preliminary surveys were initiated at Amapa Field and Maceio Field as early as January 1941 and were carried out at Val de Cans Field (Belem), Parnamirim Field (Natal), and Terrical Field (Sao Luiz) by April 1941. Work on the remaining airports was begun after the issuance of Decree Law No. 3462.⁹

Ownership of the land at the airport sites was by no means uniform. Although the Brazilian Government, or subdivisions thereof, held title to most of the airport property, ownership of the other sites was vested in private individuals or in a joint ownership arrangement between the Government and private holders.* Panair was obligated to purchase or lease privately owned areas in the company's name and to its account. If owners refused to sell their holdings or asked unreasonable prices, Panair was authorized under the 25 July Decree Law to request expropriation proceedings by the Brazilian Government. Prior to the Airport Development Program, neither Panair nor Pan American had conducted operations from the airports covered by the

* See chart, p. 165-B.

Decree Law and, consequently, possessed no prior rights to the use of the property. At several of the sites, however, the companies had established seaplane facilities, some of which had been in use since 1929.¹⁰

The property on which Amapa Field was constructed belonged to several members of a family, only one of whom resided in the village of Amapa. Since the resident had not been legally authorized to act for the others, Panair faced the possibility of receiving a cloudy title if the property were purchased from the resident. In July 1941, the Brazilian Government authorized Panair to begin construction work, pending expropriation proceedings.¹¹ The Brazilian Air Ministry expropriated the Amapa property on 31 December 1943 by Decree Law and, at approximately the same time, construction work was completed at the air base.¹²

Panair obtained permission to begin the construction of Chapada do Pici Field (Fortaleza) through "promise of sale" contracts signed with 17 private owners in August 1941. During the early part of 1942, Panair executed formal deeds of conveyance with the owners and assumed ownership of the entire airport area. By January 1943, plans were made to construct a larger airport at a nearby site, known as Mucuripe (Fortaleza), to provide a longer runway. The Mucuripe property was owned by the Brazilian Government and permission was granted for construction work to begin at once. On 20 June 1943,

after less than six months of work, construction on Mucuripe Field was suspended and, one year later, the partially completed base was transferred to the Brazilian Government. Although no official reason was given for the abrupt cessation of construction, it appeared that certain wealthy and influential landholders opposed building the airport due to the possible adverse effects on real estate values in the Mucuripe area. In July 1943 a new site for the airport was located four miles south of the city of Fortaleza and, on 17 August 1943, the Brazilian Government formally expropriated by Decree Law the privately owned land required for the construction of Adjacente Field.¹³

Parnamirim Field (Natal) had been used as a landing site by a French airline company as early as 1927. In 1940, an Italian airline acquired an interest in the airport but, soon thereafter, the Brazilian Air Force took over the airfield for the construction of a modern base. The Brazilian Government authorized Panair to use the expropriated land under the Airport Development Program. Recognizing the need for additional land to extend runways and install other facilities, Panair received permission from the private owner in April 1941 to survey a 252-acre tract in the area. On 7 August 1941, Panair executed a "promise of sale" contract with the owner and on 12 September 1941 the two parties signed a final deed of purchase. Although made to the account of Panair, the purchase was transacted in the name of the Brazilian Air Ministry in order to avoid payment of property transmission taxes.

Except for the purchase of a 261-acre tract in January 1942 and a 104-acre area in October 1942 from a private owner, Panair received the use of the remaining airport property through expropriation proceedings.¹⁴

Ibura Field (Recife) was selected by the Companhia Aeropostal Brasileira (CAB), a subsidiary of Air France, as an airport site in 1927. Although the original property was purchased by the State of Pernambuco from a private owner, the land title was transferred to the Brazilian Air Ministry in January 1941. The Brazilian Government by Decree Law No. 3462 authorized Panair to use the land for Airport Development Program construction. Between September 1941 and February 1942, Panair purchased an additional 270 acres from two private owners for airport expansion purposes. The remaining land requirements were met through expropriation proceedings.¹⁵

CAB had purchased the right to use the land on which Ipitanga Field was located from the owner, the City of Sao Salvador, in March 1928 in return for the annual payment of a few cruzeiros (1 cruzeiro is equal to \$0.0541 in United States currency). During the early part of 1941, Panair attempted to acquire from CAB the right to use the airport property for Airport Development Program purposes, but the price asked was too high. After extended negotiations, Panair and CAB reached an agreement on 27 February 1942 which permitted

construction to begin immediately at Ipitanga Field. By its provisions, Panair agreed to buy 60% of CAB's stock and, thereby, receive a controlling interest in the Company; Panair also would gain control over a chain of airports operated and owned by CAB. Panair, in return, would increase the stock of CAB by 6,000 contos (1 conto is equal to \$54.10 in United States currency) before 30 December 1944. Should Panair fail to meet this obligation, it had the option of returning the stock previously purchased and buying Ipitanga Field outright for \$60,000 (U.S. currency). Since the sizeable investment in CAB's stock would represent United States funds obligated for Airport Development Program improvements and would appear as United States subsidization of Panair, the War Department in July 1943 directed Panair to return the stock purchased from CAB and to purchase Ipitanga Field for the stipulated sum of \$60,000 with the understanding that the funds would be reimbursed to Panair by the United States. Upon purchasing the right to use the airport property, Panair immediately conveyed its interests to the Brazilian Air Ministry.¹⁶

When Panair attempted to acquire additional land in the vicinity of Ipitanga Field, the property owners asked exorbitant prices for their holdings; consequently, the Brazilian Government found it necessary to expropriate these tracts for Airport Development Program purposes. Since ultimate ownership of this land rested with the City of Sao Salvador,

Panair was required to pay a few cruzeiros each year to the municipal government for the use of the airport property.¹⁷

Ownership of the land comprising Val de Cans Field (Belem) was vested in the Brazilian Government, and Panair experienced little difficulty in initiating Airport Development Program construction at this site. During the early part of 1942, Panair leased 229 acres from the State of Para for a period of 29 years in order to construct runway extensions and make other improvements. At a later date, the War Department ruled that airport facilities would not be constructed on leased property and, consequently, the 229-acre tract was expropriated by the Brazilian Government for Airport Development Program use. Except for the purchase of 37 acres by Panair from a private society and the donation of 15 acres to Panair by another social organization, the remaining airport property was made available through expropriation proceedings.¹⁸

Maceio Field was constructed on property whose ownership was claimed by four parties--the State of Alagoas, the City of Maceio, the Municipality of Rio Largo, and a private individual. Alagoas had originally offered to donate the property to the Brazilian Air Ministry for the construction of a modern air base but the dispute over ownership of the land blocked the transfer. Although ownership of the land was still unresolved, Panair initiated and completed construction

of Maceio Field under the Airport Development Program. Plans were made in the summer of 1944 to request the Brazilian Government to instigate expropriation proceedings, but it can not be determined from available documents whether such proceedings were actually executed.¹⁹

Tirirical Field* was constructed on property owned by the Municipality of Sao Luiz and formerly used by the Brazilian Government as a small landing field. Additional land for the development and expansion of the airport was made available to Panair by the Brazilian Government through expropriation proceedings.²⁰

Fernando de Noronha Field was not included in the list of airports to be improved by Panair under the Airport Development Program as specified in Decree Law No. 3462.

On 28 January 1942, Brazil broke diplomatic relations with the Axis Powers and, one month later, the State Department requested its Ambassador, Jefferson Caffery, to seek authority from President Getulio Vargas to expand air facilities across northeastern Brazil. In addition to the expanded facilities at the Airport Development Program sites, the United States expressed a desire to include Fernando de Noronha as a defense site. On 4 March, the Brazilian Foreign Minister informed Ambassador Caffery that President Vargas had

* In several documents, the name of this field is spelled "Tirirical."

USAFHS-63, Chap. VI

163

approved the request.²¹ At the request of the State Department, the Brazilian Government in March 1942 authorized Panair to develop and improve the airport. Although Air France had established an emergency landing field on the Island of Fernando de Noronha in 1928, the improved airport was constructed on land owned by the Brazilian Government and, consequently, the acquisition of land presented no substantial problem.²²

In March 1942, Brig. Gen. Robert Olds, Commanding General of Air Transport Command, visited Brazil and cultivated the friendship of Brigadeiro Eduardo Gomes, Air Commander of the vital Natal-Recife area. Because of his almost unlimited control of north-eastern Brazil, General Gomes held the key to the successful progress of the Airport Development Program in that area. After a series of conferences, General Olds persuaded Gomes to return to the United States with him late in March for an inspection tour of defense installations. This good will gesture no doubt played an important part in winning Gomes over to the side of the United States and facilitated the Airport Development Program.²³

In May 1942, a political-military agreement, generally known as the Barber Agreement, was signed by the United States and Brazil. Under the terms of this instrument, the United States was authorized to construct defense installations in Brazil and to use existing Brazilian

USAFHS-63, Chap. VI

bases as designated by a Joint Commission.²⁴

On 25 June 1942, the Brazilian Foreign Minister notified Ambassador Caffery that his Government expressed no objection to the execution by Panair of the Airport Development Program, including the airport at Fernando de Noronha, so long as Brazil retained ownership of the airport property. The Foreign Minister observed that the Brazilian military authorities desired that the airport improvements be donated immediately to Brazil and their use by United States forces during the war be assured.²⁵ General Olds and his representatives agreed that all land acquisitions should be in the name of the Brazilian Government. On 14 July, Ambassador Caffery was informed that this principle would be followed in the procurement of land for the Airport Development Program.²⁶

By June 1942, military requirements dictated that large tracts of land be acquired at the Airport Development Program sites. In many instances, the additional land exceeded the size of the original site. In order to eliminate delays, United States engineers contacted Brazilian army officials for permission to begin construction in the new areas prior to the execution of formal expropriation proceedings. Soon thereafter, the Brazilian Army was granted certain emergency powers, including the right to expropriate immediately any property required for Airport Development Program purposes.²⁷

With the Brazilian declaration of war against Germany and Italy on 22 August 1942, the land acquisition procedure became even more simplified. The United States Engineers Department and the Brazilian Air Ministry were designated by their respective governments as the agencies authorized to handle land transactions relating to the airport sites. The Resident Engineer at each airport was responsible for all land transactions conducted with the Brazilian Government. In the event that additional land were needed at an Airport Development Program site, the Resident Engineer would formally request the tract from the Brazilian Army. If the request were approved, construction would be started immediately on the site with the understanding that the owner of the property would be compensated by the Brazilian Government at a later date. Six months after the end of the war, the area would be returned to Brazilian control.²⁸

MEXICO

On 20 August 1924, George L. Rihl, William L. Mallory, Randall G. Peiper and Carl V. Schlaet executed a contract for the formation of a joint stock company by the name of "Compania Mexicana de Aviacion, S. A." (CMA). Two years later, CMA had signed a contract with the Mexican Government and on 23 August 1928, the company received a permit to fly the Vera Cruz-Merida route. At



LAND AIRPORTS IMPROVED UNDER THE ADP IN BRAZIL, MEXICO AND OTHERS *

NAMELOCATIONUSE PRIOR TO THE ADPLAND OWNER BEFORE ADPCONSTRUCTION BEGUNI. BRAZIL

| | | | | |
|--------------------------------|-----------------------------|----------------------|----------------------|-----|
| 1. Amapa Field ¹ | 6 miles SW of Amapa | No Existing Airfield | Private Individual | Jan |
| 2. Val De Cans Field | 5 miles N of Belem | Brazilian Airfield | Brazilian Government | Apr |
| 3. Chapada Do Pici Field | 5 miles SW of Fortaleza | No Existing Airfield | Private Individual | Jul |
| 4. Lucuripe Field ² | 5 miles E of Fortaleza | No Existing Airfield | Brazilian Government | Apr |
| 5. Adjacente Field | 4 miles S of Fortaleza | No Existing Airfield | Private Individual | Jul |
| 6. Maceio Field | 11 miles N of Maceio | Emergency Landing | Title In Dispute | Jan |
| 7. Paracurim Field | 9 miles S of Natal | Brazilian Airfield | Brazilian Government | Apr |
| 8. Ioura Field | 6 miles S of Recife | Brazilian Airfield | Brazilian Government | Aug |
| 9. Ipitanga Field | 14 miles SE of Sao Salvador | Brazilian Airfield | City of Sao Salvador | Jan |
| 10. Tirricol Field | 6 miles SE of Sao Luiz | Brazilian Airfield | City of Sao Luiz | Apr |
| 11. Fernando De Noronha Field | 238 miles NE of Natal | Brazilian Airfield | Brazilian Government | Sep |
| | | | | |
| | 6 miles N of Tampico | Commercial Airfield | CMA | Apr |
| 12. Rihl Field | 3 miles SW of Tapachula | Commercial Airfield | CMA | May |
| 13. Chiapas Field | | | | |

II. MEXICO

LAND AIRPORTS IMPROVED UNDER THE ADP IN BRAZIL, MEXICO, AND CUBA (cont.)

| NAME | LOCATION | USE PRIOR TO THE ADP | LAND OWNER BEFORE ADP | CON BEG |
|---------------------------|----------------------------|----------------------|----------------------------|---------|
| <u>II. MEXICO (cont.)</u> | | | | |
| 14. Las Bajadas Field | 7 miles SW of Vera Cruz | No Existing Airfield | Private Individual Mexican | Aug |
| 15. Chetumal Field | 2 miles W of Chetumal | Commercial Airfield | Government | Aug |
| 16. Campo Juanes Field | 2 miles SW of Merida | Commercial Airfield | CMA | Aug |
| 17. Carmen Field | 2 miles E of Carmen | No Existing Airfield | Private Individual | Mar |
| 18. Cozumel Field | 1 mile N of San Miguel | Commercial Airfield | CMA | Jun |
| 19. Tehuantepec Field | 11 miles NE of Tehuantepec | No Existing Airfield | Private Individual | Jun |
| <u>III. CUBA</u> | | | | |
| 20. Camaguey Field | 5 miles NE of Camaguey | Commercial Airfield | PAA | Feb |
| 21. San Julian Field | 7 miles SW of Guane | No Existing Airfield | Private Individual | Jul |

- 1 Substitution of this site for Macapa was authorized by OCAG on
- 2 This site was selected to provide longer runways in the directi
construction work which had been started three months earlier w
was transferred to the Brazilian Government in June 1944.
- 3 Title to this property was claimed by the state of Alagoas, the
and a private individual.
- 4 The Italian Airline, LATI, and Air France made extensive use of
January 1941.
- 5 While the city of Sao Salvador possessed title to this airport,
an Air France subsidiary, Companhia Aeropostal Brasileira (CAB)

* The data contained in this chart has been taken from the following sources: Air
Vol II, (undated & unnumbered); and Summary Statement of Construction and Mainte
Engr Office, Miami Dist, 30 June 1945, p 167; both in Miami Proj Files (DRB-TR).

a general meeting of the stockholders on 1 October 1928, it was agreed that CMA would establish and operate air transportation services throughout the Republic of Mexico. The duration of the company was for 50 years from the date of the legalized deed, 12 January 1929.²⁹

By contracts signed on 16 May and 30 December 1935, the Mexican Government authorized the company to expand its air services throughout the Republic. CMA agreed to provide at its own expense the land needed for the establishment of airports. CMA was further authorized to transfer its rights and obligations to other individuals or companies with the understanding that foreign stockholders would be required to consider themselves as Mexicans insofar as enforcement of the contract was concerned. Under no condition was airport property to be directly or indirectly transferred, mortgaged, or otherwise encumbered to any foreign government; in addition, no foreign government could be admitted as a partner or stockholder in the company. The contract was to be effective until 31 December 1955 with a renewal option of 10 years at the discretion of both parties.³⁰

Pan American's authority to operate in Mexico was derived from a contract executed with CMA on 1 December 1935. CMA agreed to make its ground facilities available to Pan American for the conduct of an international air service through the Republic. The duration of the contract was 15 years from the date of execution.³¹

The original Airport Development Program Contract of 2 November 1940 provided for the improvement of three airport sites in Mexico--Tampico, Tapachula, and Vera Cruz.³² Supplemental Agreement No. 4 of 2 December 1942 added sites at Carmen, Chetumal, and Merida.³³ Construction of airport facilities at Tehuantepec was provided for in Contract No. W-2168-eng-8, signed by the United States Government and Pan American on 8 June 1942.³⁴ Supplement "A" to the contract, signed on 16 November 1942, added Cozumel to the list of sites.^{*35}

According to Article 27 of the Mexican Constitution, only Mexican citizens and/or corporations had the right to acquire ownership of land in the Republic; however, aliens might be granted this right if they agreed before the Ministry of Foreign Relations that they would consider themselves as Mexicans in respect to such property and would refrain from invoking the protection of their own government in matters relating to the property. Under no circumstances could a foreigner acquire ownership of lands within a zone of 100 kilometers along the frontiers and 50 kilometers inland from the coast.³⁶

In the process of obtaining land for its airports, CMA had acquired certain property situated in the restricted zones specified in Article 27. Pan American was concerned over the legality of these

* See map, p. 165-A.

holdings which were technically in violation of the supreme law of the Republic. The fact that CMA was controlled by a foreign corporation, Pan American, made the situation an extremely delicate one. In order to remedy this situation, a separate holding company known as the Compania de Industrias Y Terrenos, S.A. (CIT) was chartered on 11 June 1941 as a mercantile organization. Composed only of stockholders who were Mexican citizens, and owned by CMA, CIT was charged with the construction, use, establishment, leasing, or utilization in any other form of airports, hangars, buildings and other establishments. CIT was empowered to purchase, sell, exchange, acquire, process, use, administer, lease and utilize in any lawful form all lands situated in any part of the Republic, including those in the restricted zones, to the extent that might be necessary for the purposes of the company, excluding specifically rural properties for agricultural purposes. Pan American felt that the existence of CIT should eliminate any doubt about the legality of CMA's land holdings anywhere in the Republic.³⁷

The land on which the eight airport sites scheduled for improvement under the Airport Development Program were situated was either owned by or under lease to CMA.* Like the Brazilian bases, the original land was not sufficient for the expansions envisioned by the

* See chart, p. 165-B.

Airport Development Program; however, in contrast to the Brazilian situation, CMA had no working arrangement with the Mexican Government by which governmental assistance would be rendered in the event that airport property could not be secured by routine negotiations.

Rihl Field (Tampico) originally consisted of 285 acres and was owned by CMA. By early January 1941, it was determined that an additional 135 acres would be required for development purposes. A 65-acre tract on the southeast side of the Field had been committed to an agrarian colony by a contract signed in 1939 in exchange for a similar area north of the airport; however, CMA had never executed a legal transfer of the property to the colony. The matter was taken up with the appropriate Mexican authorities and a solution was found in a recent modification of the agrarian laws which permitted cash sale of property in lieu of land exchange. In June 1941, the Mexican Government decreed that CMA could purchase the 65-acre tract at a cost of \$150 per hectare. CIT, which had been incorporated during the same month, soon concluded the negotiations and acquired the land.³⁸

An area of 8 acres required for airport extensions to the southeast was owned by a private corporation. CMA began negotiations for the property in late January 1941 and received permission to purchase it in June 1941. CIT completed the transfer arrangements.³⁹ It is interesting to note that, although only a 25-acre tract was required to

extend Rihl Field in a northerly direction, CMA was forced to purchase in January 1941 an entire parcel of 62 acres due to the owner's refusal to subdivide.⁴⁰

Construction work on Rihl Field was begun in April 1941. With the formation of CIT in June 1941, CMA transferred ownership of the airport property to the holding company which, in turn, leased the land to CMA at a yearly rental of \$850 for 20 years with renewal option.⁴¹

Chiapas Field (Tapachula), consisting of 154 acres, had been owned by CMA since 1929. Between January and December 1941, CMA acquired an additional 52 acres from two private owners. By the summer of 1942, it was determined that a 94-acre tract would be required for runway extension purposes. Ownership of the tract was divided among several private individuals, all of whom, with the exception of one owner, a Japanese subject, were willing to sell their interests in the property to CMA. In late May 1942, a government engineer supported by Mexican troops took possession of the land belonging to the Japanese owner and, with the concurrence of the remaining owners, the property was sold to CMA.⁴²

Construction work at Chiapas Field was begun by the Airport Development Program on 8 May 1941. By mid-1942, ownership of the airport property had been transferred to CIT which, in turn, leased the property to CMA for a 20-year period with renewal option at an

annual rental of \$1,000.⁴³

Originally, Airport Development Program construction was planned at Tejeria Field (Vera Cruz) where a 245-acre airport owned by CMA was already in existence. Subsequent investigation revealed, however, that the site was unsuitable for the construction of long runways to accommodate heavy aircraft.⁴⁴ During early February 1941, the Airport Development Program selected a new airport site called Las Bajadas Field. The site, a 346-acre tract, belonged to two agricultural colonies, and the approval of the Mexican Government was necessary before the property could be transferred to CMA. In mid-April 1941, CMA purchased 428 acres from a private owner to be used in a land exchange with the colonies. Simultaneously with this purchase, the 428-acre parcel was conveyed to the agricultural colonies in return for the 346-acre plot required for the Airport Development Program. In compliance with a petition filed by CMA earlier, in March, the Mexican Government decreed that the expropriation of the 346 acres of communal lands for the airfield establishment was of public utility.⁴⁵

Ownership of the second tract of land, amounting to 498 acres, was distributed among several individuals. Between March and July 1941, CMA purchased these holdings and conveyed them to CIT in November 1941.⁴⁶ In March 1942, CIT leased the 844-acre airport

to CMA at an annual rental of \$2,750 for a 20-year period with renewal option. Construction work was begun at Las Bajadas Field on 1 August 1941.⁴⁷

As early as 25 November 1940, CMA selected a site at Chetumal for the construction of an airport to be used in its local air services. Two years later, Chetumal Field was added to the list of sites to be improved under the Airport Development Program.^{*48} An area of 300 acres was presented to the Mexican Government by the State of Quintana Roo for airport construction. The Mexican Government, in turn, leased the 300-acre tract to CMA on 17 April 1941 for a period of 20 years gratuitously. CMA agreed on its part to invest at least \$40,000 toward airport improvements and, at the end of 20 years, to transfer all fixed improvements to the Mexican Government.⁴⁹

Although Chetumal Field was not officially included in the Airport Development Program until 2 December 1942, permission was received in mid-August 1942 to begin construction work under the Program. It soon became evident that an area of 515 acres of additional land would be required. This land belonged to the State of Quintana Roo and arrangements were made for it to be leased to CMA; however, the Mexican Government withheld approval of the lease agreement since one of the parcels belonged to an agrarian colony and another belonged to

^{*} See p. 167.

the Federal Government of Mexico. In view of this complex situation, it was agreed that CMA should make an outright purchase of the 515-acre tract and, on 12 December 1943, the President of Mexico issued a Decree permitting CMA to deliver title to CIT for subsequent lease by CIT to CMA. Since a portion of this land belonged to agrarians, it was necessary for CMA to make a suitable land exchange or financial settlement with the colony before the purchase could be consummated. By the summer of 1944, the 515-acre tract was still under option of purchase by CIT which would eventually possess title and lease the area to CMA.⁵⁰

CMA had used the landing site at Campo Juanes Field (Merida) as early as 1928 on its inaugural flight between Vera Cruz and Merida.* By December 1939, CMA had purchased 312 acres of land from private owners and this area comprised the original airport.⁵¹ In July 1942, surveys of additional land required for airport improvements were completed and, by informal authorization, construction at Campo Juanes Field was begun during the following month. Although not initially included in the Airport Development Program, Campo Juanes Field was added to the Program on 2 December 1942.[†] During 1943, 370 acres of privately owned property were acquired by CMA for Airport

* See p. 165.

† See p. 167.

Development Program use and by May 1944 steps were being taken to transfer title to the entire airport property, consisting of 682 acres, to CIT for subsequent lease to CMA.⁵²

It was originally planned for Airport Development Program construction to be initiated at Isla de Carmen Airport (located near Carmen in the state of Campeche) since this airport was owned by CMA and had been used in the operation of the company's air service since 1928. After preliminary surveys of the airport had been conducted during the fall of 1942, however, the Airport Development Program engineers discovered that the area was unsatisfactory for the construction of long runways. A more desirable site was located 2 miles east of the city of Carmen, near the old airport site.⁵³

Carmen Field was added to the list of Airport Development Program sites on 2 December 1942.* It had been determined in November 1942 that 347 acres of land, belonging to six private owners, and 241 acres, owned by two agrarian colonies, would be required in order to carry out the necessary improvements at the new airport site. In contrast to the other Airport Development Program sites in Mexico, CMA was unable to obtain permission from the land owners to begin construction immediately. Owing to the fact that a road crossed the northern limits of the airport property, it was necessary for CMA to

* See p. 167.

purchase approximately 865 acres of land from three private owners in order to relocate this road. The legal proceedings were not completed until March 1943 when CMA was at last permitted to initiate work on the site. By May 1944, title to the Carmen Field property was in the process of being conveyed to CIT for subsequent lease to CMA. Action was likewise being taken to have the 241-acre tract, belonging to the agrarians, expropriated by the Mexican Government.⁵⁴

In the spring of 1930, CMA purchased 183 acres of land from four private owners for the establishment of Cozumel Field.⁵⁵ During the summer of 1941, the United States indicated an interest in developing the airport for use by military aircraft flying by way of the Yucatan Peninsula. Lieutenant Colonel Matthew Ridgeway, a member of the newly formed Mexican-United States Defense Commission, informed the Mexican authorities of this interest on the part of his Government. Ridgeway based the request on an agreement signed by the two Governments on 1 April 1941 providing for the reciprocal transit of military aircraft through their respective territories. In September 1941, the Mexican Government gave its approval for the development of Cozumel Field by the United States under the conditions that the entire cost of construction would be met by the United States, that the improvements would become the property of the Mexican Government at the termination of the existing emergency, and that construction activities

would be carried out by CMA and under no circumstances by military forces of the United States. By a simultaneous exchange of notes on 28 February 1942 between Secretary of State Cordell Hull and Mexican Ambassador Francisco Castillo Najera in Washington, the above conditions were formally accepted.⁵⁶

Preliminary land surveys were begun at Cozumel Field in May 1942 and one month later construction work was initiated. By the provisions of a memorandum contract entered into by CMA and the Mexican Government on 21 July 1942, CMA received the right to use free of charge an area of 1,370 acres belonging to the Mexican Government for the development and improvement of Cozumel. The contract further provided that CMA was obligated to spend a minimum of \$100,000 for airport improvements and that, upon the expiration of a 20-year period, all of the fixed improvements would become the property of Mexico.⁵⁷ In November 1942, Cozumel Field was added to the list of sites to be improved under the Airport Development Program and by May 1944, action was being taken to transfer all property rights at the site to CIT for subsequent lease to CMA.⁵⁸

The site for Tehuantepec Field was selected on 14 March 1942 by members of the 6th Bomber Command during an aerial reconnaissance for the purpose of locating a suitable area for the establishment of a bomber base. One month later, a request for the site was presented

to the Mexican-United States Defense Commission and on 21 April 1942 the Mexican representatives gave their approval to the request. Inasmuch as CMA was carrying on operations at a nearby airport, the Mexican authorities felt that CMA should be in charge of the construction at the new site.⁵⁹

Tehuantepec Field was added in June 1942 to the list of sites to be improved by the Airport Development Program.* It was determined that 3,568 acres of land would be required for the construction of the base; all of this land was communal property which was being held by descendants of eight persons to whom the land had been granted almost 100 years earlier. So far as could be determined, none of the present holders had sufficient documentary evidence to substantiate their claims and, for the most part, their titles were held principally by conscription and common consent. In order to facilitate construction operations, the Governor of the State of Oaxaca on 3 June 1942 authorized CMA, pending formal transfer of title, to take possession of the airport property on a temporary basis. Airport Development Program construction at the site was begun two weeks later. Through the assistance of the Mexican Government, CMA reached an agreement with the land owners on 15 July 1942 whereby the Company agreed to pay \$10 per hectare in addition to indemnization costs for damages

* See p. 167.

to crops.⁶⁰ By May 1944, title to the Tehuantepec property had been transferred to CIT for subsequent lease to CMA.⁶¹

In August 1942,* less than two months after work was begun on Tehuantepec Field, Mexican military authorities demanded copies of the construction plans for inspection and approval before permitting further work. Failing to receive a satisfactory response to the request, the Mexican Army imposed its authority and all construction work was stopped in mid-December 1942 pending high level negotiations. In early January 1943, a Special Mission[†] from the Mexican-United States Defense Commission was designated to visit the Airport Development Program sites in Mexico to determine the extent and progress of construction and methods of completing the projects at the earliest date to the mutual satisfaction of both countries.⁶²

From 11-14 January 1943, the Special Mission visited the sites under development by the Airport Development Program. After a careful inspection of each airport, the Mission concluded that some of the sites required no additional improvements, others should have certain features deleted, and the remaining ones should have additional facilities completed but only at the expense of the Mexican Government

* Mexico declared war against Germany, Italy, and Japan on 1 June 1942.

† The United States was represented by Col. F. E. Glantzberg (Chief), Col. E. W. Hockenberry, Lt. Col. Charles Wooley, and Capt. George Stinson; Mexico had as its delegation General de Brigada Luis Alamillo Flores (Chief), Captain Antonio Zavala and Mr. E. Anzorena.

since they were above and beyond the military requirements of the United States.⁶³ The difficulties encountered by construction at Tehuantepec were resolved in a conference on 18 January 1943 between Colonel Frederic E. Glantzberg and General Lazaro Cardenas, Minister of War for Mexico, when it was revealed that General Cardenas was under the mistaken impression that the United States wanted all of the Airport Development Program bases for her own exclusive use. Colonel Glantzberg reassured the War Minister that air bases established on Mexican soil would be Mexican bases with United States aircraft having the right to operate from them and with United States personnel operating the supporting services. General Cardenas acceded in this understanding.⁶⁴

In view of the fact that Pan American had no direct ownership rights in Mexico, it was necessary for the Company to work through its subsidiary, CMA, in the accomplishment of the Airport Development Program at the eight airport sites. Insofar as land acquisitions for Airport Development Program sites were concerned, the Mexican Government fully cooperated and, in several cases, permitted construction operations to begin at sites before the negotiations for land had been completed.

CUBA

From a historical perspective, Cuba held a unique position in

Pan American's air operations in the Latin American area since it was the starting point of the company's expansion to the south. * On 1 March 1941, Pan American signed a new aviation agreement with the Cuban Government which superseded all previous contracts. By its provisions, Pan American received the right to operate an air service in the Republic for a period of five years (from 2 March 1941) with an option to extend the term for a like period.⁶⁵ Pan American's operations in Cuba were carried out by its subsidiary, Compania Nacional Cubana de Aviacion, S.A., which had been organized several years earlier.⁶⁶

Camaguey Airport, consisting of 354 acres of land and owned by PAA, was scheduled for improvement under the original Airport Development Program Contract. During the latter part of July 1940, Evan Young had notified his legal representative in Cuba, Dr. Mario Lazo, to initiate negotiations with the Cuban Government for the expropriation of certain lands in the vicinity of Camaguey Airport for expansion purposes. Fearing that the land prices would be exorbitant, Young felt that the use of expropriation proceedings would result in a considerable reduction in the purchase prices.⁶⁷ In August, Young suggested that a decree be obtained from the Cuban President providing for the use of Camaguey Airport by United States aircraft; however, Dr. Lazo was of the opinion that legally such a decree was unnecessary.⁶⁸

* See Chap. V, p. 124.

After execution of the Airport Development Program Prime Contract of 2 November 1940, Young forwarded Lazo a draft of a Presidential Decree Law which had been formulated in the New York Office for presentation to President Fulgencio Batista.⁶⁹ Before making an official approach to the Cuban Government, Lazo deemed it advisable to discuss informally the proposed Decree Law with George S. Messersmith, United States Ambassador to Cuba, past experience having shown that Cuban officials always contacted the United States Embassy for its position on matters of this kind. On 3 December 1940, Dr. Lazo met with Ambassador Messersmith and discussed in a casual manner the proposed Presidential Decree Law and the Airport Development Program in Cuba as related to Camaguey Field. The Ambassador appeared to have a general knowledge of the Airport Development Program and to be sympathetic with it. Instead of discussing the Decree Law initially with President Batista, Messersmith suggested that it be taken up with the Secretary of Defense who in turn would arrange for an audience with the President.⁷⁰

On the following day, 4 December, Dr. Lazo met with the Cuban Secretary of Defense and discussed certain portions of the proposed Decree Law without revealing all of its contents. Without mentioning the military implications of the Airport Development Program, Lazo noted that the improvements at Camaguey Field were necessary to

accommodate larger Pan American aircraft on the route between Miami and points in Cuba. Appearing sympathetic to the request, the Defense Secretary asked Dr. Lazo to prepare a memorandum embodying the requirements for the President's consideration. Shortly thereafter, Lazo submitted this memorandum to the Defense Secretary.⁷¹

In the meantime, Dr. Lazo forwarded Ambassador Messersmith a revised draft of the Presidential Decree Law for information purposes. As yet, Young had not given final approval to the revised draft; consequently, its use was restricted to a form of suggestion. Messersmith requested that the Embassy be notified before submission of the Decree Law to the Cuban Government since a question had been raised in regard to the necessity of a Decree in the first place. Dr. Lazo pointed out that Pan American right to fly over Cuban territory was contained in the company's airmail contract with Cuba by implication; should this contract be cancelled or allowed to lapse, Pan American would find itself in the peculiar position of owning Cuban airports without possessing the right to use them. According to Lazo, the Presidential Decree Law would remedy this situation.⁷²

On 13 December 1940, Messersmith informed Lazo that a copy of the draft Decree Law had been submitted to the State Department for consideration. The Ambassador felt that the military feature of the Decree, i. e., the right of United States aircraft to use Pan American

airports, should be a subject for discussion by the two Governments. In regard to operating rights for Pan American aircraft, Messersmith felt that the Embassy could assist in obtaining this through a Presidential Decree Law. Lazo agreed to take no further action with the Cuban Government on the proposed Decree until a reply had been received from the State Department.⁷³

Upon learning that the draft Decree had assumed the status of an official State Department subject, Young observed that Pan American's policy was to keep diplomatic missions in foreign countries informed about company operations but that its policy was not to request diplomatic assistance unless special circumstances arose. Young was apprehensive lest the action taken by Ambassador Messersmith cause considerable delay to the Program in Cuba when time was of the essence. He felt that it would have been more practical for Pan American to have discussed the matter directly with the State Department rather than to have handled it through the Embassy in Cuba. Since the company had no choice, Young observed that Pan American would await State Department comment on the draft Decree Law.⁷⁴

Young informed Lazo that a decision had been reached to divorce the question of rights for United States aircraft to use Pan American airports in Cuba from other features of the Airport Development Program negotiations. Since the remaining negotiations would be concerned with private company matters only, Lazo was directed to

inform Messersmith that diplomatic assistance would not be required in future negotiations with the Cuban Government. As a precaution against land speculation Lazo was cautioned against referring to any specific airport sites to be developed under the Airport Development Program.⁷⁵

After conferring with Messersmith, Lazo remained convinced that Pan American should work in close harmony with the Embassy because of the latter's valuable understanding of United States-Cuban relations. Lazo justified the Ambassador's cautious approach to the Cuban Government on the ground that a contrary policy might do considerable harm to the Program in Cuba.⁷⁶ By mid-January 1941, however, Dr. Lazo felt that, in spite of the State Department's attitude, President Batista should be approached as soon as possible to enlist his support for the Program. A week earlier, Young had telegraphed authority for such a meeting but the Embassy did not favor discussions at that time since other matters pertaining to the National Defense Program were under negotiation. Upon the insistence of Lazo and after receiving approval from the Embassy, the Defense Secretary met with President Batista on 20 January and discussed the projected improvements at Camaguey Field. Although the President was sympathetic to the Program, it appeared that he was not prepared to hold discussions with Lazo until more detailed information on the

Airport Development Program was available.⁷⁷

On 22 January, Robert Cook, Pan American Special Representative for the Caribbean, arrived in Cuba to assist Lazo in the Airport Development Program negotiations. In conversations with the First Secretary of the Embassy, Cook noted that, in view of the valuable time already lost, Pan American was prepared to begin construction at Camaguey Field at once regardless of whether the draft Presidential Decree Law was approved. Since the draft Decree eliminated reference to operating rights for United States aircraft, the Embassy was willing to give guarded approval to it. Before leaving Cuba, Cook concluded that the root of the difficulties experienced in the Airport Development Program negotiations with the Cuban Government lay in the lack of proper coordination between the State and War Departments.⁷⁸

At the request of President Batista, Dr. Lazo in late February forwarded the President a list of the Latin American countries in which the Airport Development Program would be undertaken. No mention was made of the specific airport sites to be developed in each country. In regard to Cuba, it was noted that no commitment, other than Camaguey Field, could be made at that time.⁷⁹ In order to resolve the deadlock on the proposed Presidential Decree Law, Dr. Lazo met with officials of the State Department* in Washington on 15 March 1942. As a result

* These officials included Walter Newbold Walmsley, Livingston Satterthwaite, and Orne Wilson.

of this meeting, Lazo felt that the State Department was prepared to cooperate fully in the Airport Development Program and that its action on the Decree Law would serve as a precedent for the entire Program. Three days later, the American Embassy in Cuba gave its unqualified approval for the proposed Decree to be presented to President Batista.⁸⁰

Soon after the State Department's approval had been received, opposition to the Decree developed within the Cuban Government; however, by early May, it appeared that most of the difficulties had been resolved and that the Decree Law would soon be promulgated in the form desired by Pan American. In spite of these encouraging signs, there is no evidence that a Presidential Decree was ever issued. Available documents indicate that the execution of the Airport Development Program at Camaguey Field was made possible by verbal authority of the President.⁸¹

Before improvements could be undertaken at Camaguey Field, it was necessary to investigate land titles. Pan American's original title to the airport was found to be defective and incomplete and action was taken to make it legally sound. While most of the land in the vicinity of the airport had been settled for more than 400 years, no accurate survey had ever been conducted. Further to complicate matters, land owners had made little or no attempt to record their titles and many

of them held possession under the antiquated system passed down by the Spanish colonial government. In many cases, vague descriptions and indefinite boundaries left irregular tracts of land without evidence of ownership. Airport Development Program legal representatives had to examine records in historical archives, search legal documents in provincial government offices, and conduct personal interviews with numerous alleged claimants in order to ascertain ownership of lands. Even after thorough research and investigation, there was always the possibility that future litigation over the property might arise.⁸²

In addition to the original area of 354 acres, Pan American had to purchase 223 acres from private owners to expand Camaguey Field.* In the case of one tract of land at the southeastern corner of the airport, the last individual to obtain a clear title had done so in 1835. Eleven descendants were traced and approached in regard to selling their holding. At first they refused to sell their heretofore unknown possessions; after several weeks of bargaining, however, a satisfactory agreement was reached whereby Pan American obtained ownership of the tract.⁸³ Three months later, in June 1941, Pan American was compelled to buy a 166-acre tract from a private owner who refused to sell a small holding required for improvement purposes and on which construction had already been initiated.⁸⁴ In another

* See chart, p. 165-B.

instance, Pan American found it cheaper to purchase a 6-acre tract than to relocate a fence, marking a claimant's property line.⁸⁵

The most difficult of all negotiations at Camaguey Field concerned a 51-acre tract, located outside the airport boundaries, on which a small building stood in the direct path of one of the runways. Pan American began discussions with the owner in May 1942 for the purpose of buying a small portion of the holding in order to remove the obstruction but the owner refused either to sell the smaller area or to permit Pan American to move the building to a new location at its own expense. Finally, in May 1943, Pan American had to purchase the entire 51-acre tract in order to demolish the structure.⁸⁶

For the protection of the Airport Development Program investment at Camaguey Field, Pan American found it necessary to purchase subsurface rights. According to Cuban law, the owner of subsurface or mining rights had the privilege of exercising his claim with the assistance of the Government through expropriation proceedings. All subsurface rights were reserved to the Government and the State could award mining concessions as it saw fit. For instance, should a concessionaire decide that the Camaguey site was required for mining operations, he would have a legal right to exercise his claim. An agent of Pan American purchased most of the subsurface rights at Camaguey from the Bethlehem Steel Corporation and the remaining ones from individual owners. In one instance, an owner agreed to sell his

subsurface rights located outside the airport area, but refused to sell his rights to a small parcel on which certain airport buildings were located. After six months of negotiations, Pan American was able to buy the owner's entire interest.⁸⁷

Camaguey Field, later designated General Ignacio Agramonte Airport, was one of the first airports completed under the Airport Development Program. Earlier, it had served as the first stepping stone in the chain of Pan American airports, stretching through the Caribbean Area to Latin America. From July 1940 to July 1943, Pan American conducted negotiations for the acquisition of the airport property; however, these lengthy discussions were not in vain when it is noted that the company acquired the desired land at a cost of approximately \$25 per acre.⁸⁸

Prior to the Airport Development Program, Pan American had operated from a landing field called Isabel Rubio Airport which was owned by its subsidiary, CNCA. The airport was located five miles southwest of Guane in the Province of Pinar Del Rio. During the latter part of 1941, Pan American's legal representatives conducted negotiations for the acquisition of additional land to expand the airport facilities in order to accommodate the company's new land based aircraft. Because of the refusal of land owners to sell the desired tracts of land, the negotiations were unsuccessful.⁸⁹

The Isabel Rubio site was originally selected for development under the Airport Development Program and negotiations for the necessary land on which to construct the airport were begun in the spring of 1942 even though the project had not as yet received official approval. Upon learning of plans to develop the airport, Dr. Lazo suggested that the United States Embassy and the Cuban Government be given general information on the project in order to avoid the unfortunate experiences which had arisen with respect to Camaguey Field.⁹⁰ Since the Cuban legislature had recently enacted a law facilitating the acquisition of land by commercial or military interests for defense purposes, no serious difficulties were anticipated in acquiring the necessary airport property.⁹¹

In line with Dr. Lazo's suggestion, the new American Ambassador, Spruille Braden, informed the Cuban Minister of State on 16 June 1942 that substantial improvements, similar to those undertaken at Camaguey, were contemplated at Isabel Rubio Airport under the Airport Development Program. Further, should these plans materialize, the Minister would be given detailed advanced information on the project.⁹² On 25 June, the Cuban Minister of Defense issued a resolution declaring the Isabel Rubio project, as well as any other construction which might be effected in the future, essential to national defense.⁹³

By late September, it had been determined that approximately

1200 acres of land would be required for the enlargement and improvement of Isabel Rubio. The owners of this land were pressing for a final purchase agreement; however, before the purchase arrangements could be concluded, it was necessary to complete a survey of the area. The land owners agreed to give the Airport Development Program officials until 12 October to complete the survey. In the event that the survey was not finished on the scheduled date, the owners suggested that a tentative purchase agreement be executed, pending a final deed of sale to supplement this agreement at a later date.⁹⁴

On 5 October, the War Department directed the Airport Development Program officials to conduct a land survey at a location two miles southwest of Isabel Rubio Airport as a prospective site for the new base. Preliminary surveys had indicated that the Isabel Rubio site was unsuitable for the construction of runway facilities as contemplated.⁹⁵

One week later, the decision was made to change the airport location and, consequently, all construction work ceased at Isabel Rubio Airport.⁹⁶ During the latter part of October, the American Embassy advised Dr. Lazo that the Cuban Government would furnish the necessary land for the new airport; therefore, Lazo concentrated on securing releases from previous commitments to purchase the Isabel Rubio property.⁹⁷

Earlier, on 7 September 1942, the United States and Cuba had

signed an agreement for military cooperation* which provided, among other things, for the establishment of additional airports or for the improvement of existing airports in Cuba for the joint use of both Governments. It was agreed that, upon termination of the agreement, all of the military installations so constructed would become the property of the Cuban Government without cost. The agreement was to be in effect for the duration of the war and until six months thereafter.⁹⁸

As previously indicated, the American Embassy fully cooperated in making arrangements with the Cuban Government for the use of the new airport site. As early as 11 July 1942, Ambassador Braden had formally requested permission from the Cuban Government for survey parties to visit the site. It was further requested that CNCA, Pan American's subsidiary, be permitted to acquire the necessary airport property in its own name for the construction of runways; that the Cuban Government furnish the land for the construction of the other accessory facilities without charge; and that full operational and administrative control of the airport be given to the United States Army Air Forces. All of the fixed airport installations were to become the property of the Cuban Government without cost within six months after the conclusion of the war.⁹⁹ Six days later, the Cuban Minister

* Cuba declared war on Japan on 9 December 1941 and on Germany and Italy on 12 December 1941.

of State notified Ambassador Braden that President Batista had acceded to the above requests. On 20 July, Braden observed that the exchanges of notes constituted an agreement for the use of the new airport site.¹⁰⁰

The Cuban Government authorized construction to begin on 21 October at the new airport site, designated San Julian Field.^{*101} The field was officially added to the Airport Development Program on 16 November 1942.¹⁰² After surveys of the area had been completed, it was determined that approximately 2,000 acres of land would be required for airport development. Owners of the subject land were given condemnation notices by the Cuban Government and the Airport Development Program received permission to initiate construction without awaiting the formal acquisition of land. The title to the property comprising San Julian Field[†] remained in the name of the Cuban Government.¹⁰³

SUMMARY

While the Airport Development Program negotiations in Brazil, Mexico, and Cuba followed the basic principles and instructions set forth by Pan American's Vice President Evan Young, the procedures

* The name of the new airport site appears to have been derived from the name of the owner of the property surrounding the airport, San Julian Primero.

† See chart, p. 165-B.

employed in the three republics varied according to the local political climate.

The Pan American subsidiary, Panair do Brasil, was the agency charged with the Airport Development Program negotiations in Brazil. In early 1941, an application was filed with the Brazilian Government for the development and improvement of eight government-owned airports which had not been used previously by Panair in its operations. The Panair application was approved and incorporated in Decree Law No. 3462 of 25 July 1941. Under its provisions, Brazil assisted Panair in the acquisition of additional land at the airport sites through expropriation proceedings.

Following the Pearl Harbor attack and the severance of diplomatic relations between Brazil and the Axis Powers, the Brazilian President authorized the inclusion of Fernando de Noronha in the list of sites to be improved under the Airport Development Program. The signing of the Barber Agreement by the United States and Brazil in May 1942 enabled United States interest in the Airport Development Program to be revealed more openly to the Brazilian authorities in view of mutual defense considerations. With the entrance of Brazil into World War II in August 1942, the acquisition of land became more simplified and systematized. All land thus acquired became the property of the Brazilian Government and was to be returned to Brazilian

control six months after the end of the war.

The Airport Development Program negotiations in Mexico were conducted through the medium of Pan American's subsidiary, CMA. Since CMA had acquired land in a restricted zone as specified by Article 27 of the Mexican Constitution, a separate holding company, CIT, was formed on 11 June 1941 to remedy this situation.

Three airport sites were scheduled for improvement under the original Airport Development Program; however, five additional sites were added between June and December 1942. While CMA possessed operating rights at all of these airports, the company did not have the support of the Mexican Government in acquiring additional land through expropriation proceedings. As a legal safeguard, land purchased or leased by CMA was transferred to CIT.

Mexico became a member of the Allied Coalition in World War II when she declared war on the Axis Powers in June 1942. Less than six months later, however, the Mexican Government ordered the cessation of all work on the Tehuantepec site when the Mexican military authorities failed to receive details of the Airport Development Program plans for the site. A Special Mission of the Mexican-United States Defense Commission resolved the misunderstanding in January 1943 when it was revealed that air bases constructed in Mexico would not be restricted exclusively to use by the United States. In regard to

USAFHS-63, Chap. VI

land acquisitions for the Airport Development Program bases, the Mexican Government extended its cooperation in every instance.

Pan American's subsidiary, CNCA, was responsible for the Airport Development Program negotiations in Cuba. Like the Brazilian situation, the Pan American representative in Cuba felt that the promulgation of a Decree Law by the Cuban President would expedite land acquisitions for the Airport Development Program sites. Prior to presenting the draft Decree Law to the Cuban Executive, the Pan American representative in December 1940 discussed the matter with the resident United States Ambassador. To the dismay of Vice President Young, the Ambassador submitted the draft Decree Law to the State Department for consideration and advice. Even though the State Department approved the draft Decree Law in March 1942, it was apparently never promulgated by the Cuban Government.

The Airport Development Program was revealed to the Cuban President in general outlines but not in specific details. The development of the two Cuban airfields under the Program was presumably accomplished through verbal authority. In addition to securing land for the airport expansions, the CNCA was compelled to purchase sub-surface rights at the Camaguey site. According to Cuban law, all sub-surface rights were reserved to the Government and could be purchased only as concessions.

USAFHS-63, Chap. VI

197

Cuba entered World War II only a few days after Pearl Harbor and signed an agreement for military cooperation in September 1942.

Chapter VII

THE AIRPORT DEVELOPMENT PROGRAM IN BOLIVIA,
COLOMBIA, DOMINICAN REPUBLIC, DUTCH GUIANA,
FRENCH GUIANA, GUATEMALA, HAITI, NICARAGUA,
PARAGUAY, AND VENEZUELA

BOLIVIA

The Bolivian Government permitted Pan American Grace Airways (Panagra) to conduct an air transportation service in the Republic by the provisions of a contract signed with the company on 19 March 1935 (officially decreed on 8 April 1937). Bolivia agreed to furnish the necessary land for the construction of airports by Panagra for its air services. The airports would be considered as property of the Bolivian Government but Panagra received the permanent right to use them free of charge. The ten-year contract was effective from 1 March 1937.¹

By mid-April 1941, General Marshall and Under Secretary of State Sumner Welles had agreed that the Airport Development Program should be undertaken in Bolivia. The War Plans Division noted on 23 July 1941 that necessary action had been taken to modify the Airport Development Program Contract to include Bolivian sites. The Chief of the Army Air Forces approved this action two days later.²

On 23 March 1942, the State Department notified its

Charge d'Affaires in Bolivia of the contemplated Airport Development Program plans and stated that State Department officials should conduct the necessary negotiations with the Bolivian Government instead of Panagra. According to the Charge d'Affaires, this State Department communication was the first official word on the Airport Development Program that had been received by the Legation. Several months earlier, the Legation had learned unofficially that the War Department had approached Panagra concerning the development of Bolivian airfields and that, although the construction would be undertaken ostensibly as commercial improvements, in reality, the project would be a sizeable defense undertaking for the United States. Since arrangements were conducted entirely by the War Department, the Charge d'Affaires had not mentioned the airport project to the Bolivian officials. As a matter of fact, the only discussions with the Bolivian Government had been those informally conducted with the Finance Minister by an official of the W. R. Grace Company. The Grace representative had intimated in the conversations that the Government's assistance would be needed in the expropriation of certain lands for airport purposes. The Finance Minister had felt that such an arrangement could be worked out.

The Charge d'Affaires strongly recommended to the State Department that, for political as well as practical reasons, Panagra should conduct the negotiations for the airport project under the guise

USAFHS-63, Chap. VII

200

of a commercial venture. This recommendation was made on the premises that the improvements of the airports by Panagra would be considered a normal course of action by the Bolivian populace; that, if it should become widely known that the United States was constructing military bases in Bolivia, opposition elements might make a political issue out of the undertaking and prohibit the initiation of the airport construction; that the President of Bolivia and his Foreign Minister had previously indicated to the Charge d'Affaires that they wished to avoid the appearance of granting air base rights to the United States; and that, while it would be impossible to maintain the guise indefinitely, the construction would have progressed to such an extent by the time the true sponsor was revealed that it would no longer be an effective issue for the opposition element in the Government. The Charge d'Affaires concluded that no approach would be made to the Bolivian officials until further instructions were received from the State Department.³

On 6 April 1942, the United States and Pan American signed Supplemental Agreement Number 2 to the Airport Development Program Contract which provided for the development of airport sites at Cochabamba in Bolivia.* On the same date, Pan American executed an agreement with Panagra for the improvement of airports located along its air

* See chart on page 217-A and map on p. 165-A.

USAFHS-63, Chap. VII

routes and to reimburse Panagra for all expenses involved in the Airport Development Program except for the costs expressly involved in the construction of facilities for its own use prior to 1 July 1941.⁴

The State Department concurred in the recommendation of its Charge d'Affaires in Bolivia, and Ernesto Aranibar was selected by the W. R. Grace Company to represent Panagra in its negotiations with the Republic. On 23 September 1942, Aranibar presented a draft decree to the Bolivian War Minister concerning the airport improvements contemplated at Cochabamba. A copy of this decree was also presented to the American Embassy which, in turn, forwarded it to the State Department for review and comment.⁵

On 8 December 1942, the Bolivian Government by Supreme Decree incorporated 155 acres of land at Cochabamba into the domain of the State. Earlier, on 18 May 1942, Panagra had acquired this tract of land at its own expense and, at the time of purchase, had executed a ratifying deed in favor of the Bolivian Government. Panagra thus received the privilege of using Cochabamba Airport free of charge. The use of Cochabamba Airport, however, was still limited to a ten-year period as provided in the Operating Permit of 8 April 1937 but Panagra felt that this period should be extended in view of the large expenditure of funds projected for airport improvements at the site. Although the Bolivian President and his advisors had agreed informally

with Aranibar that Panagra should have operating rights for a minimum of 20 years, the War Minister felt that his Government should not enter agreements for periods exceeding five years. However, on 29 April 1943, the Bolivian Government issued a supplementary Decree which extended Panagra's Operating Permit for a term of 20 years (to 1 April 1967). On 5 May 1943, Panagra and the Bolivian Government signed a contract which embodied the provisions of the 8 December 1942 and 29 April 1943 Decree Laws.⁶

Prior to the Airport Development Program, Cochabamba Field consisted of 227 acres of government owned land and its facilities were shared jointly by Panagra and the Bolivian national airline, Lloyd Aereo Boliviano. Including the additional area of 155 acres, Cochabamba eventually comprised a total of 382 acres of land. Construction on Cochabamba Field was begun on 1 June 1942.⁷

COLOMBIA

Prior to the Airport Development Program, Pan American's operations in Colombia were conducted by its subsidiary, Aerovias Nacionales de Colombia (AVIANCA). According to the Airport Development Program Contract of 2 November 1940, a landing field at Barranquilla was scheduled for improvement.

On 6 May 1941, AVIANCA signed a 15-year contract (effective 4 July 1941) with the Colombian Government which authorized the

company to develop and expand Soledad Field, located six miles south of Barranquilla. AVIANCA agreed to defray the construction costs and to acquire additional land for the airport improvements at its own expense.⁸

On 30 August 1941, Pan American signed a 15-year contract with AVIANCA which provided that AVIANCA would acquire, either by direct purchase or through expropriation proceedings, title to the additional land required for the development of the Soledad site.⁹

Prior to 1939, Soledad Field had belonged to a German-Colombian company, Sociedad Colombiana Alemana de Transportes Aereos (SCADTA). In November 1939, AVIANCA purchased the 155-acre Soledad site and used it in its Colombian air service.^{*} As a result of Airport Development Program requirements, AVIANCA purchased a total of 79 acres of additional land from private owners between September 1941 and January 1942. With the acquisition of the additional land, Soledad Field consisted of a total area of 234 acres.¹⁰

Arrangements between the United States and Colombia for the use of Soledad were in the nature of a "gentleman's agreement." There is no evidence that this informal understanding was ever reduced to writing.¹¹

^{*} See chart on p. 217-A and map on p. 165-A.

THE DOMINICAN REPUBLIC

On 16 April 1929, Pan American received official authorization to conduct air operations in the Dominican Republic. Two years earlier, on 25 August 1927, Pan American had signed a contract with the Dominican Government which permitted the company to take over the West Indian Aerial Express Company and to receive a monthly subsidy of \$1500 from the Dominican Government.¹²

Under the provisions of the 16 April 1929 contract (effective for 15 years), Pan American received the right to lease or purchase property on which to construct airports so long as they were not situated within eight kilometers of a properly equipped port. Pan American was specifically authorized to use the aviation field at the Carretera Duarte site and to make such improvements there as the company felt were necessary. Pan American, in return, agreed to waive the \$1500 monthly subsidy granted earlier by the Dominican Government.¹³

Pan American established an improved airport at Kilometer 8 of the Carretera Duarte on government-owned land. This site, designated Lindbergh Field, was used in company operations until a new contract was signed with the Dominican Government on 26 December 1939 (the Dominican Government signed the contract on 4 January 1940). The new agreement provided that Pan American would renounce the right

to use Lindbergh Field in return for the use of the government-owned Miraflores Airport, located two miles west of Ciudad Trujillo, from the effective date of the contract (9 May 1940) to 1 January 1947.¹⁴

The Airport Development Program Contract of 2 November 1940 provided for the improvement of Miraflores Airport. On 9 May 1941, Pan American signed a contract with the Dominican Government which authorized the company to use General Andrews Field (previously designated Miraflores Airport) for a 20-year period (from 26 May 1941) without charge.¹⁵ Besides the original area of 348 acres, the Dominican Government furnished 206 acres of land, or a total of 554 acres, for the development of the field.^{*} The Government retained title to all land situated within the airport site.¹⁶

DUTCH GUIANA[†]

Although Pan American had been operating a commercial air service between Dutch Guiana and other Latin American countries prior to 30 November 1935, it was not until that date that its operations were formalized by contract. Under the provisions of the agreement,

^{*} See chart on p. 217-A and map on p. 165-A.

[†] While it is recognized that Dutch Guiana is a colonial possession of the Netherlands, it is deemed important, in view of its geographic location and its close relationship to the overall Airport Development Program, to include it along with the American Republics.

Dutch Guiana authorized Pan American to carry out a commercial air service in its territory for a period of five years from 1 January 1936 with provision for successive renewals of five-year terms.¹⁷

According to the Airport Development Program Contract of 2 November 1940, an airport at Paramaribo was one of the original sites scheduled to be developed. During the early part of December 1940, Pan American representatives held discussions with the Governor of Dutch Guiana and received the impression that Pan American would be permitted to proceed with the airport improvements in consideration for a 99-year lease of the airfield at a nominal rental fee. By mid-December, it had been determined that the Zandery site, located 25 miles south of Paramaribo and inaccessible by highway, was the only site which could be developed with a suitable airport at a reasonable cost. On 19 December, Evan Young notified his representatives in Dutch Guiana that the Zandery site had been concurred in by all concerned as the most preferable location for the construction of the ADP base.¹⁸

According to the Director of Finance the Colonial Government preferred that Pan American develop Zandery Field at its own expense; however, according to local law, no concession could be granted to a foreign company. The Finance Director suggested that Pan American might form a local development company in order to comply with this legal requirement as a matter of form.¹⁹

Robert Cook, Pan American Special Representative, arrived in Dutch Guiana during the latter part of December 1940 to conduct Airport Development Program negotiations with the Colonial Government. On the 30th, after several interviews with the Governor and his officials, Cook observed that the proposed Program was received enthusiastically, that full cooperation was promised at all levels, and that little or no difficulty was anticipated in the negotiations. It appeared that the formation of a local company would be necessary and that several months would be required for the completion of all formal discussions with the Government. In the meantime, the Governor had promised to permit the airport construction to begin under a temporary authorization.²⁰

On 3 January 1941, Cook noted that the Dutch Guiana Government had agreed to lease Zandery Field for a period of 35 years for a nominal rental with an option to renew for a like period. The Government desired to take over ownership of the airport at the end of ten years upon payment of compensation to Pan American and a guarantee to the company of all rights and privileges at the site for the duration of the lease (Cook felt that his company might receive more favorable terms by taking up the matter with the Netherlands Government, then in London, but it was pointed out that this procedure no doubt would result in considerable delay). Upon approval of the

above conditions, the Governor was prepared to grant the necessary authority for construction work to begin at Zandery Field pending the conclusion of a final agreement.²¹ On the same date, Young advised Cook that the conditions were acceptable and suggested that a document be obtained from the Colonial officials indicating that an agreement in principle had been reached by the two parties.²²

On 17 January, Cook was informed that the Colonial Government had cabled the outline agreement to the Netherlands Government in London four days earlier, and that, upon receiving confirmation of the agreement, it planned to present a letter evidencing an agreement in principle to Pan American. This action on the part of the Colonial Government caught Cook by surprise inasmuch as the Governor had not previously indicated that the understanding required the approval of the Home Government. Ten days later, the document evidencing agreement between Pan American and the Government of Dutch Guiana was delivered to Cook. It appeared that the Governor had referred only one point, that pertaining to the nationalization of the airport after a period of ten years, rather than the instrument in its entirety.²³

Through informal permission from the Governor, construction on Zandery Field was permitted to begin on 28 February 1941.²⁴ According to the contract signed with the Dutch Guiana Government on 30 November 1935, Pan American's operating rights were due to

expire on 1 January 1941; however, the Governor assured the company that its permit would not be allowed to lapse prior to the execution of a final agreement.²⁵

Before an airport concession could be awarded, it was necessary for Pan American to form a local company as required by law. By late March 1941, the articles of incorporation had been formulated and officially approved by the Governor. On 29 March, the Surinam Airport Development Company was officially chartered for an indefinite period to develop airports in Dutch Guiana.²⁶ On 26 June 1941, the Governor granted Pan American, through its local company, a concession for the construction and use of Zandery Field* for a period of 35 years with an option of extension. The Surinam Company was obligated to bear all costs of airport improvements with the understanding that Dutch Guiana would furnish 1,139 acres of land for the airfield (the original airfield area consisted of 37 acres). At the end of ten years, the Government reserved the right to nationalize the airport upon payment of adequate compensation to the Surinam Company; however, PAA's rights at the airport would not be affected for the remaining term of the 35-year concession.²⁷

* See chart on p. 217-A and map on p. 165-A.

FRENCH GUIANA*

During the early part of January 1951, Pan American instructed its representatives in French Guiana to inaugurate informal discussions with officials of the government in regard to the possibility of developing an airport in Cayenne for emergency landing purposes.²⁸

By February 1951, Pan American engineers had selected Savana du Gallion, an area located 17 miles southwest of Cayenne, as the only available site that could be economically developed.²⁹

The original 514-acre tract of land comprising Le Gallion Airport was purchased by Pan American through its agent, Julien Sainte-Claire, with the understanding that he would transfer the deed of purchase to the company at a later date. In order to acquire the Le Gallion property, it was necessary for Sainte-Claire to negotiate with nine private owners; the talks ran from 9 December 1940 to 22 March 1941, several factors combining to complicate the negotiations and to delay their completion. Difficulties were experienced in determining land owners because of inadequate public land records. The uncertain position of the Vichy Government and the likelihood that it would look with disfavor on the activities of a foreign corporation in French Guiana made the discussions quite delicate. Finally, the uncertain attitude

* While it is recognized that French Guiana is a colonial possession of France, it is deemed important in view of its geographic location and its close relationship to the overall Airport Development Program to include it along with the American Republics.

of the War Department as to whether or not the Cayenne site should be added to the Airport Development Program made the discussions more difficult.³⁰

From May 1941 onward, Pan American officials discussed plans for a modern air base to be used by United States military aircraft rather than an emergency landing field to serve commercial airplanes. Le Gallion Field was officially added to the Airport Development Program on 3 July 1941 by Supplemental Agreement Number One to the Prime Contract of 2 November 1940.³¹

According to local laws, it was not possible for Pan American, or any other alien company, to own airports in French Guiana. During the latter part of April 1941, Robert Cook began negotiations with the Governor for the development of Le Gallion Field under the Airport Development Program; soon after discussions were under way, it became evident that the project would eventually require the approval of Admiral Robert, French High Commissioner, who resided in Martinique. By mid-July 1941, Admiral Robert had taken no official action on the airport project. Cook, however, felt that Admiral Robert could be bypassed through a procedure successfully employed in Dutch Guiana, that is, by the formation of a local company which would secure a concession from the Governor for the construction of Le Gallion Field.³²

In discussions with the Governor, Pan American representatives had constantly emphasized that the improvements to Le Gallion Field

were required to accommodate the new land-based aircraft which were to replace the company's seaplane service. No mention was made of the relationship of the United States Government to the Airport Development Program. During the latter part of July 1941, the Governor agreed to grant Pan American provisional authority to initiate construction at Le Gallion with the understanding that such authority did not imply operating franchise rights.³³

On 8 August 1941, a letter dictated by the Governor but signed by Alexandre Quintrie-Lamothe, Pan American Airport manager at Cayenne, was sent to Admiral Robert in which it was requested that Pan American be given a temporary permit to proceed with the construction of Le Gallion Field. Pan American would build the runways in blocks of 800 meters, separated by 200-meter trenches, in order that the runways would be unserviceable but could be completed in a short time when permanent authorization was received. In the meantime, the remainder of the airport construction could be completed.³⁴ On 16 August, the Governor informed Quintrie-Lamothe that Admiral Robert had granted Pan American temporary permission to initiate construction on Le Gallion Field as set forth in the letter of 8 August.³⁵

In view of the law which prevented foreign companies from holding titles to airports in French Guiana, the Manager of Pan American's Eastern Division recommended that a local company be

organized and the stock placed in the name of a local resident. While it had been planned for Sainte-Claire to transfer the Le Gallion title to Pan American, a decree of 7 June 1941 stipulated that the property could not be transferred without prior approval of the Governor. Since Pan American was a foreign corporation, the company was not legally entitled to such an authorization.³⁶ On 23 September 1941, Young informed the Eastern Division Manager that Pan American would proceed with the construction of Le Gallion Field under the temporary permit. It was noted that Robert Cook would be designated to handle the land title and the formation of the local company.³⁷

Between 25 October and 2 November 1941, Cook and Harvey Blalock, Pan American Construction Engineer, held several discussions with the Colonial Governor in regard to the development of Le Gallion Field. As a result of these meetings, it was agreed that a simple partnership, composed of Quintrie-Lamothe and Sainte-Claire, would meet the local legal requirements. The company would then execute a contract with the Colonial Government for the construction of Le Gallion. As long as the company appeared outwardly as being composed entirely of French citizens, the necessary formalities would have been met. The final step would be for the company to sign an agreement with Pan American for the development of the airport.³⁸ On 14 November, Young agreed to the arrangement and concluded that Pan American's

protection would be provided by a mortgage on the airport property and that management of the company would be delegated to a Pan American representative.³⁹

On 7 February 1942, the Pan American General Manager informed the Eastern Division Manager that the War Department had authorized a change in the location of Le Gallion Field from its present site to an area situated two miles away (15 miles southwest of Cayenne), an aerial reconnaissance having revealed that the new site was less swampy and presented better drainage conditions. As yet, no construction work had been started on the project owing to the lack of equipment and materials,⁴⁰ but on 9 February, the Colonial Government authorized work to begin at the new location.⁴¹

During a visit to French Guiana from 28 February to 8 March 1942, Cook observed that the Governor and the High Commissioner considered the immediate signature of a contract for the development of Le Gallion Field as a matter of the utmost importance. Since early April 1941, negotiations for a contract had been progressing quite slowly and, consequently, it was difficult for Cook to understand this change of attitude. It appeared from the discussions with the Government officials that the entry of Airport Development Program personnel and equipment, requiring the colonial government's approval, would not be acted on until an agreement was signed by the two parties. In the meantime,

airport construction was rapidly reaching the point where no further work could be done without essential equipment and materials. Discussions centered around a modified contract which, under the circumstances, Cook found to be reasonable, especially so, in view of the fact that the Pan American officials had almost reconciled themselves to the necessity of carrying out the Le Gallion project without a written contract.⁴²

On 21 March 1942, the Colonial Government and Alexandre Quintrie-Lamothe executed a contract for the construction and operation of Le Gallion Field.* According to the agreement, Quintrie-Lamothe was obligated to substitute a company in his place within a one-month period and title to the Le Gallion property was to be transferred to the company. The contract was to be effective for 30 years from the date on which the Governor authorized the airport to be opened. At the end of the 30-year period, Le Gallion Field, including both real estate and fixed improvements, would become the property of French Guiana without charge. The contract became effective upon signature.⁴³

Between November 1941 and April 1942, Sainte-Claire purchased 258 acres of additional land for the development of Le Gallion Field, making a grand total of 772 acres for the site.⁴⁴

* See chart on p. 217-A and map on p. 165-A.

On 9 April 1942, Quintrie-Lamothe, Sainte-Claire, and Paul Rambaud formed a joint stock partnership known as "Society in Sole Charge of the Airport at Gallion, A. Quintrie-Lamothe and Co." Le Gallion was transferred to the company with the understanding that the contract of 21 March 1942 would be honored and upheld.⁴⁵ On 15 April, A. Quintrie-Lamothe and Co. signed an agreement with Harvey Blalock for the development of the airport and, three days later, Blalock executed a waiver of any private rights or interests in the project in favor of Pan American.⁴⁶ On 18 April, A. Quintrie-Lamothe and Co. executed a waiver of its rights and interests in Le Gallion Field to Pan American inasmuch as it was acknowledged that the company had been formed for the express purpose of permitting Pan American to improve and develop the airport.⁴⁷

In conclusion, it might be well to note the reasons set forth by Robert Cook for the extended negotiations with the French Guiana Government over the construction and development of Le Gallion Field. Cook observed, first of all, that he had been instructed to do nothing that would involve the United States Government; consequently, it was necessary to complete the final agreement without the assistance of either War Department or State Department officials. A shortage of competent interpreters and translators caused considerable delays in numerous instances. The highly centralized character of

the Airport Development Program made it necessary to refer drafts of agreements and procedural matters to the New York Office for decisions. Since the authority of the Airport Development Program representatives in French Guiana, or other operating locations, was seriously limited, the process of referring these matters to the higher officials necessarily consumed great quantities of time.⁴⁸

GUATEMALA

Pan American's right to operate an air service in Guatemala was derived from a contract signed with the Guatemalan Government on 4 December 1929. The contract permitted Pan American to establish airports in the Republic either on public lands, which could be used without charge, or private lands, which could be purchased in the company's name. Pan American was granted the use of La Aurora, the national airport at Guatemala City, as well as any other government-owned airport designated by the Republic. The 20-year contract became effective on 15 April 1930.⁴⁹

According to the ADP Contract of 2 November 1940, the only airport scheduled for improvement in Guatemala was La Aurora Field, located four miles south of Guatemala City. On 16 November 1942, Supplemental Agreement "A" to War Department Contract No. W-2168-eng-8 of 8 June 1942 added two additional sites to the Program: San Jose Field, located three miles northeast of San Jose;

LAND AIRPORTS IMPROVED UNDER THE ADP IN HAITI, THE DOMINICAN REPUBLIC, GUATEMALA, NICARAGUA, PARAGUAY, DUTCH GUIANA, AND FRENCH GUIANA. *

| NAME | LOCATION | USE PRIOR TO THE ADP | LAND OTHER BEFORE ADP | CONST BEGUN | CONS ENDED |
|-------------------------------|------------------------------|----------------------|-----------------------|-------------|------------|
| <u>I. HAITI</u> | | | | | |
| 1. Bowen Field | 1 mile NE of Port-au-Prince | Commercial Airfield | Private Individual | Feb 1941 | Dec 1 |
| <u>II. DOMINICAN REPUBLIC</u> | | | | | |
| 2. General Andrews Field | 2 miles W of Ciudad Trujillo | Commercial Airfield | Dominican Government | Mar 1941 | Sep 1 |
| <u>III. GUATEMALA</u> | | | | | |
| 3. La Aurora Field | 4 miles S of Guatemala City | Commercial Airfield | Guatemalan Government | Mar 1941 | Feb 1 |
| 4. San Jose Field | 3 miles NE of San Jose | Emergency Landing | Guatemalan Government | Jan 1942 | Feb 1 |
| 5. Puerto Barrios Field | 1 mile NE of Puerto Barrios | Emergency Landing | Guatemalan Government | Aug 1942 | Nov 1 |
| <u>IV. NICARAGUA</u> | | | | | |
| 6. Las Mercedes Field | 6 miles E of Managua | No Existing Airfield | Private Individual | May 1941 | Feb 1 |
| <u>V. COLOMBIA</u> | | | | | |
| 7. Soledad Field | 6 miles S of Barranquilla | Commercial Airfield | PAA | Sep 1941 | Feb 1 |

LAND AIRPORTS IMPROVED UNDER THE ADP IN HAITI, THE DOMINICAN REPUBLIC, GUATEMALA, NICARAGUA, PARAGUAY, DUTCH GUIANA, AND FRENCH GUIANA. (cont.)

| <u>NAME</u> | <u>LOCATION</u> | <u>USE PRIOR TO THE ADP</u> | <u>LAND OWNER BEFORE ADP BEGUN</u> | <u>CONSTRUCTION BEGUN</u> | <u>COMPLETION</u> |
|-------------------------|--------------------------|-----------------------------|------------------------------------|---------------------------|-------------------|
| <u>VI. VENEZUELA</u> | | | | | |
| 3. Grano De Oro Field | 3 miles NW of Maracaibo | Commercial Airfield | Venezuelan Government | Dec 1941 | May |
| 9. Laigueta Field | 5 miles W of La Guaira | Commercial Airfield | Venezuelan Government | Sep 1941 | Sep |
| 10. Maturin Field | 1 mile E of Maturin | Venezuelan Airfield | Venezuelan Government | Feb 1942 | Sep |
| <u>VII. BOLIVIA</u> | | | | | |
| 11. Cochabamba Field | 2 miles SW of Cochabamba | Commercial Airfield | Bolivian Government | Jun 1942 | Jun |
| <u>VIII. PARAGUAY</u> | | | | | |
| 12. Asuncion Field | 7 miles NE of Asuncion | Commercial Airfield | Paraguayan Government | Jul 1942 | Sep |
| <u>IX. DUTCH GUIANA</u> | | | | | |
| 13. Zandery Field | 25 miles S of Paramaribo | Commercial Airfield | Colonial Government | Feb 1941 | Nov |
| <u>X. FRENCH GUIANA</u> | | | | | |
| 14. Le Gallion Field | 15 miles SW of Cayenne | No Existing Airfield | Private Individual | Feb 1942 | Sep |

1. Actually the Paraguayan Government furnished 988 acres of land for this air excess of requirements.

2. Eventually this airfield consisted of 3,348 acres of land; the additional a drainage conditions.

* The data contained in this chart has been taken from the following sources: Airport Development Program, Vol. 2, unnumbered; and Summary Statement of Construction and Maintenance Costs by Projects and Feasibility List, 20 June 1945, p 167; both in Miami Proj Files (DRB-TR).

and Puerto Barrios Field, located one mile northeast of Puerto Barrios.*

Land acquisitions for the three airport sites in Guatemala presented no problem to Airport Development Program officials. The necessary property required for enlargement and development purposes was provided at no charge by the Guatemalan Government through expropriation proceedings. Title to the holdings remained in the name of the Government and all permanent airport improvements were to become the property of Guatemala upon the termination of the war. In contrast to some countries, the friendly attitude of President Jorge Ubico toward the United States and its Allies made it unnecessary for the Airport Development Program to hide behind the cloak of commercialism in carrying out the construction work on the Guatemalan bases.⁵⁰

The San Jose site was originally an emergency landing field which was used by Pan American aircraft when unfavorable weather conditions closed La Aurora Field. Except for the landing area, practically no ground facilities existed prior to the Airport Development Program. As early as 8 February 1941, General Frank M. Andrews, Commanding General of the Panama Canal Department Air Force, had recommended to the War Department that the San Jose

* See chart on p. 217-A and map on p. 165-A.

site be developed for military purposes.⁵¹ Three months later, the War Department approved the project but withheld action until the necessary funds were available.⁵² In January 1942, units of the United States Army were stationed at San Jose Field after permission had been received earlier from the Guatemalan Government.⁵³ Under the Airport Development Program, San Jose was enlarged from a 36-acre unimproved landing field to a modern air base comprising 1,032 acres.⁵⁴

Puerto Barrios Field was originally a small landing field with sod runways. Unlike San Jose Field, the Puerto Barrios site was not used by Pan American in its Guatemalan air service prior to the Airport Development Program. In mid-March 1942, the Air Transport Command selected this airport as a link in its aircraft ferrying route from Florida to Panama.⁵⁵ The Guatemalan Government provided 408 acres of land for the improvement of the field under the Airport Development Program. Although the land was provided free of charge, Pan American was compelled to compensate individual squatters for rights which they held with respect to certain holdings.⁵⁶

For a period of ten years prior to the Airport Development Program, Pan American had used La Aurora Field as an important link in its chain of Latin American airports. As one of the first projects initiated under the Airport Development Program, the site

was enlarged three-fold, from 100 acres to 303 acres. The importance of the field to the defense of the Panama Canal is indicated by the arrival at the base of an advanced party of the 74th Bombardment Squadron on 19 December 1941, followed by the main body two weeks later.⁵⁷

During the summer and early fall of 1942, the United States began negotiations with Guatemala for a formal agreement covering the use of the Guatemalan air bases. On 16 November 1942, a general agreement of mutual aid was signed, embodying understandings reached through exchange of notes by the two Governments. In regard to airport properties, it was agreed that the Guatemalan Government would make the necessary private lands available and would determine the fair property value in order to compensate the individual owners. The United States, in return, obligated itself to reimburse the Guatemalan Government for the funds expended in this manner.⁵⁸

HAITI

Pan American originally received the right to operate an air service in Haiti by virtue of a 20-year contract signed on 22 February 1929.⁵⁹

On 4 November 1930, Pan American signed an agreement with one Antoine Audain for the lease of two parcels of land, adjoining the United States Marine Corps landing site, Bowen Field, located one mile northeast of Port-au-Prince, for a period of seven years and

two months from 1 November 1930. After the Marine Corps relinquished its control of Bowen Field, Audain leased the field to Pan American on 31 October 1934. This lease, like the previous one, was effective until 1 January 1938. On 20 October 1936, however, an agreement was reached which extended the lease for an additional period of seven years to 1 January 1945.⁶⁰

The Airport Development Program Contract of 2 November 1940 provided for the improvement of Bowen Field. On 30 December 1940, Pan American and Audain signed an agreement which consolidated all previous leases for the Bowen Field property and extended the lease period to 1 January 1960. Included in the agreement was an additional 26-acre tract for the expansion of the airfield.⁶¹ On 10 January 1941, Pan American leased four acres of land from a private owner until 1 January 1960 and, on 11 February 1941, the company purchased a two-acre tract from a private individual for the development of the field.⁶²

Bowen Field* grew from an original area of 89 acres to 121 acres under the Airport Development Program. In late 1945, the Haitian Government expropriated all land leased or owned by Pan American at Bowen Field and ownership of the airfield was acquired

* See chart on p. 217-A and map on p. 165-A.

by the Republic.⁶³

NICARAGUA

Pan American signed a contract with the Nicaraguan Government on 18 March 1929 which gave the company the free use of public land for airport purposes and the right to have private land expropriated by the Government if it were required for airfield construction. The company agreed to pay the expropriation charges as determined by the Nicaraguan Government. It was specified, however, that land expropriations could be made only outside of the urban areas and could not exceed 100 hectares (247.1 acres) in area. The contract was effective for a period of ten years from 21 March 1929.⁶⁴ On 7 May 1935, the Nicaraguan Government extended the term of the contract for an additional ten years to 21 March 1949.⁶⁵

The initiative for the establishment of an air base in Nicaragua was taken by President Anastasio Somoza on 30 August 1940 when he notified the American Minister of his desire to have an aerial survey conducted by Army Air Corps personnel in order to locate a suitable site for a heavy bomber base. The War Department approved the request.⁶⁶ Captain Charles F. Born of the Panama Canal Department Air Force conducted aerial and terrestrial surveys in the Republic on 15 and 16 January 1941 and recommended four possible air base sites: (1) one mile southeast of Managua near the Presidential

Palace; (2) the Managua National Airport (Archibald Field); (3) three miles from Managua near Parrazuela; (4) eight miles from Managua on the Las Mercedes Farm which was owned by President Somoza.⁶⁷ After discussions with President Somoza, it was concluded that Sites Number 2 and 4 held the greatest promise for airport improvement and expansion. Pan American officials favored the development of the Managua National Airport since the basic facilities were already in existence, but President Somoza expressed a desire that the new airport be constructed on the Las Mercedes site.⁶⁸

In the meantime, an airport at Managua had been scheduled for improvement under the Airport Development Program Contract of 2 November 1940. By December 1940, Elton R. Silliman, Pan American's representative, had begun informal discussions with President Somoza in regard to the Program and had discovered that the President favored the construction of the airport on the site of his farm.⁶⁹

By mid-March 1941, the problem of selecting a site for the construction of the Managua airport had reached a critical point. Land prices in the Managua area were beginning to soar and if airport costs were to be held to a reasonable limit it was necessary for the company officials to secure purchase options as soon as possible from the 30-odd property owners whose holdings adjoined Archibald Field. (It was further felt that President Somoza was asking an

unreasonable price for the Las Mercedes site.)⁷⁰ Pan American had originally estimated that \$4,400 would be required to purchase the additional land for the enlargement of Archibald Field. This estimate was based on the assumption that the Nicaraguan Government would donate most of the real estate free of charge. By late-March 1941, however, Pan American estimated that \$59,000 would be required to meet the increased land costs. Colonel Robert Olds, Office, Chief of Air Corps, authorized the Deputy Contracting Officer to negotiate with Pan American for the additional land with the understanding that its cost would not exceed the larger figure.⁷¹

When negotiations for the additional land at Archibald Field were begun in April 1941, it was discovered that speculative prices would result in property costs exceeding the limitation set by the War Department.⁷² On 17 June 1941, President Somoza notified Pan American that he would be willing to donate without charge to the Airport Development Program the necessary land at Las Mercedes for the construction of an airport.⁷³ Through informal permission of the President, preliminary construction work had been initiated at the Las Mercedes site two weeks earlier.⁷⁴

On 22 January 1942, Pan American signed a contract with the Nicaraguan Government which confirmed the understanding reached earlier in regard to the construction of Las Mercedes Field.* Besides

* See chart on p. 217-A and map on p. 165-A.

furnishing the airport property free of charge, the Nicaraguan Government agreed to provide additional land required in the future under the same arrangement (which eventually amounted to 437 acres of land).

The contract was effective for a period of 30 years (from 28 January 1942) and, upon expiration, all airport improvements would become the property of Nicaragua.⁷⁵ By an exchange of notes on 2 June 1942

between the United States Charge d'Affaires and the Nicaraguan Minister for Foreign Affairs, the United States obligated itself to vacate Las Mercedes Field within six months after the signing of the peace treaty and to leave all fixed improvements as the property of the Nicaraguan Government. It was reiterated that the United States would not acquire title to any property in the Republic.⁷⁶

PARAGUAY

The Government of Paraguay and Pan American signed a contract on 21 June 1937 which authorized the company to establish an aerial transportation service in the Republic. The Government agreed to make available to Pan American free of charge the landing field at Asuncion used by the Aero Club of Paraguay and any other airfields under the control of the Aero Club in the Republic. The contract was effective for a period of 15 years from 28 December 1937.⁷⁷

On 29 January 1941, the Paraguayan Minister to the United States met with General George C. Marshall, United States Army

Chief of Staff, and requested that the United States assist his Government in the establishment of air bases for a more effective defense of the Western Hemisphere. Three days later, General Marshall notified the Under Secretary of State that, from the standpoint of pure military considerations, the establishment of Paraguayan air bases was not essential to Hemispheric Defense Plans. The General expressed concern that the building of bases in Paraguay might set a precedent for other American Republics to ask for similar assistance which the United States would find difficult to refuse; in addition, he was apprehensive lest such action produce unfavorable reactions from the neighboring Republics of Bolivia and Argentina.⁷⁸

The State Department, however, favored some form of military assistance for Paraguay for political and diplomatic reasons apart from strategic considerations. From a long range viewpoint, General Marshall favored the construction of airfields over supplying the Paraguayan Government with arms and ammunition. He felt that the commercial airfield at Asuncion should have first priority because of its strategic location for air traffic between the east and west coasts of South America and that the site at Concepcion should be given second consideration.⁷⁹

At a meeting of the State Department-War Department Liaison Committee on 4 February 1941, Under Secretary of State Sumner Welles and General Marshall agreed to the development of Asuncion Airport first and to the construction of an airfield at Concepcion at a later date.

The Commanding General of the GHQ Air Force concurred.⁸⁰ In mid-February, the Air Corps Plans Division recommended that the two Paraguayan sites be included in the Airport Development Program in view of their importance to the development of an air route along the west coast of South America to reinforce the vital Natal area in the event that the east coast route should be closed by enemy action.⁸¹

On 6 April 1942, the United States and Pan American signed Supplemental Agreement Number 2 to the Airport Development Program Contract which provided for the development of airport sites at Asuncion and Concepcion.⁸²

State Department representatives conducted the Airport Development Program negotiations with the Paraguayan Government as an undisguised undertaking on the part of the War Department. On 30 May 1942, the United States Embassy in Paraguay forwarded a copy of a proposed Decree Law, approved by the Paraguayan Cabinet five days earlier, which authorized Pan American to improve the airport at Asuncion. It was noted that a similar concession could be readily obtained for the Concepcion site with the modification that this site would remain primarily a military airfield.⁸³

While neither the State nor War Departments desired special privileges in Paraguay, Secretary of State Cordell Hull deemed it important that, at least for the war period, the Paraguayan Government prohibit the use of its airports, constructed either in whole or in part

by United States funds, by companies, individuals, or governments outside of the American Republics; hence, the State Department objected to those provisions of the proposed Decree which failed so to limit the use of Asuncion Airport. At the same time, Secretary Hull observed that it was not the desire of the United States Government to give any American company a monopoly in the use of the Airport Development Program sites, but, rather, that the chief consideration in carrying out airport construction in Paraguay was to provide a public benefit for the Republic.⁸⁴

On 2 July 1942, the Paraguayan Government issued a Decree Law which granted PAA the gratuitous use for 20 years of 988 acres of government owned land located at Asuncion adjacent to the military reservation called Campo Grande. Title to the airport real estate was to remain with the Government and upon termination of the decree, all of the fixed improvements at the site were to become the Government's property. In accordance with Secretary Hull's request, provision was made in the decree for the use of the airport by aircraft belonging only to or operated by a company, individual, or government of the American Republics.⁸⁵

Asuncion Field originally consisted of 276 acres of government owned land. Pan American had been carrying out commercial operations from Asuncion since June 1937. After construction on the site had begun in July 1942 it was discovered that the Paraguayan Government

had provided too much land on the western side of the airport and an insufficient amount on the eastern side. On 21 October 1943, Pan American requested the Government to run an accurate boundary survey of the site. The Paraguayan Government complied with this request and issued a Decree on 11 January 1944 which set forth the boundaries of the airport area. In the end, only 493 of the original 988-acre tract was required for the development of Asuncion Field.^{* 86}

Although an airport at Concepcion was scheduled for improvement under the Airport Development Program, the project was cancelled by the Chief of Engineers on 2 November 1943 before any actual construction work was initiated at the site. Unrecoverable costs on this site amounted to \$26,000.⁸⁷

VENEZUELA

Pan American received its original right to conduct an air service in Venezuela by virtue of a contract signed on 11 April 1930 (effective 13 June 1930) with the Venezuelan Government. The company was authorized to make free use of government owned airports and to avail itself to all of the rights contained in the law pertaining to uncultivated and public lands, including the benefit of the right of expropriation. The duration of the agreement was for five years with option to extend the term for two 5-year periods.⁸⁸ Both in May 1935 and in December 1940, the parties to the contract agreed on extensions of five-year terms,

* See chart on p. 217-A and map on p. 165-A.

making the agreement effective until 13 June 1945.⁸⁹

According to the Airport Development Program Contract of 2 November 1940, airports at three sites in Venezuela were scheduled for improvement--Maracaibo, La Guaira, and Caripito. Elton R. Silliman, Pan American representative, began negotiations with the Venezuelan Government in December 1940. Early in the discussions, Silliman discovered that the Venezuelan officials preferred to lump the three airport sites together as one, rather than consider them separately, insofar as negotiations for the acquisition of real estate were concerned. Feeling that such a procedure would cause considerable delay in the projected airport improvements, Pan American looked with disfavor on this arrangement.⁹⁰ The fact that Pan American's operating concession in Venezuela was due to expire in June 1945 did not, in the opinion of the company officials, justify large expenditure of funds on the three sites unless the Venezuelan Government agreed to grant the company an extension of 15 years.⁹¹

Grano De Oro Field,* located 3 miles northwest of Maracaibo, had been used by Pan American in its commercial air services prior to the Airport Development Program. The airport originally consisted of 247 acres of land owned by the Venezuelan Government. The Government agreed to purchase additional land required for the

* See chart, p.217-A and map on p. 165-A.

development of the field under the Program; however, considerable difficulties were experienced in June 1941 with the Maracaibo Country Club when it was revealed that a runway extension would transverse its property. In view of the protests raised by influential members of the club, it was necessary to shorten the projected runway by 1,000 feet.⁹²

From June to October 1941, the Venezuelan Government conducted negotiations with local land owners for the necessary property at Grano De Oro. On several occasions, Silliman requested that the Government authorize the Airport Development Program to begin construction pending a final settlement of the property question. The Government authorities did not favor this action because the local land owners were demanding unreasonable prices for their holdings and, should construction be initiated, the bargaining position of the Government would be weakened. No objection was expressed to construction on the existing airport so long as work on the proposed airport extensions was deferred. The Venezuelan Minister of War informed Silliman that any objections by Pan American to the above policy would have to be taken up personally with the President of the Republic.⁹³

Although construction was begun on the airport proper on 20 December 1941, two months passed before the Venezuelan Government finally acquired 108 acres of additional land (making a total of 355 acres)

for the airport improvements. Title to all of the airport land remained in the name of the Venezuelan Government.⁹⁴

Before the Airport Development Program, Pan American had carried out its operations from Maiquetia Field, * located five miles west of La Guaira. The Airport consisted of 75 acres of government owned land on which Pan American had installed the necessary attendant facilities. Although the difficulties experienced with the Venezuelan Government in the acquisition of additional land also applied to Maiquetia Field, nevertheless construction operations began in September 1941. Soon thereafter, the Venezuelan Government provided without charge 259 acres of additional land (making a total of 334 acres) for expansion purposes.⁹⁵

Caripito Airport, † located 15 miles southwest of the town of Caripito, was also used by Pan American in its international air service prior to the Airport Development Program. Although the airport had been leased to the Standard Oil Company of Venezuela by a private owner, an arrangement had been made for Pan American to use the airport facilities.⁹⁶ For almost a year, the Venezuelan Government could not decide whether or not Caripito Airport should be included in the Program. Inasmuch as the Government considered

* See chart, p. 217-A and map on p. 165-A.

† Sometimes referred to as "Cachipo" or "Capicho" Airport in Airport Development Program documents.

the three airport projects as one for discussion purposes, the indecisiveness over Caripito complicated and impeded the progress of the entire Airport Development Program in Venezuela.⁹⁷

Early in November 1941, Pan American notified the Deputy Contracting Officer that the Venezuelan Government favored substituting for the Caripito site an airport located one mile east of Maturin. This recommendation was based on the recent designation of Maturin Airport as an international port-of-entry, a function formerly charted to Caripito Airport. Pan American favored the substitution because the Standard Oil Company, as lessee, could not legally permit Pan American to make the projected airport improvements at Caripito for the account of Pan American. The Standard Oil Company had proposed that it would be willing to make the necessary improvements in its own name for Pan American's account without permitting any color of title to rest with Pan American. Pan American was reluctant to agree to such an arrangement. From both a topographical and meteorological point of view, company engineers felt that the Maturin site was superior to the one at Caripito.⁹⁸

On 14 November 1941, the Deputy Contracting Officer recommended the abandonment of Caripito in favor of Maturin Airport for the reasons that, in the long run, it would be more economical to construct new runways at Maturin than to repair the old runways at Caripito, that

USAFHS-63, Chap. VII

a better title could be secured at the Maturin site, and that, by acceding to the request of the Venezuelan Government, good will would be maintained.⁹⁹ After approval by the War Department, Maturin was officially substituted for Caripito on 6 December 1941.¹⁰⁰ Construction on Maturin Field,* formerly a small government owned landing field, was begun two months later. The Venezuelan Government furnished 337 acres of land without charge for the Airport Development Program improvements, retaining title to the airport property.¹⁰¹

Negotiations between Pan American and the Venezuelan Government continued for a year and a half before a satisfactory agreement was reached. Delays in presenting a final draft of an agreement to the Venezuelan officials were caused by revisions in airport construction plans, by difficulties encountered in the acquisition of additional airport property at the Airport Development Program sites, and by the necessity for substituting Maturin for Caripito. During the spring of 1942, the final draft was submitted to the Venezuelan Government.¹⁰²

On 26 August 1942, Pan American signed the Airport Contract with the Venezuelan Government. By its provisions, Pan American was authorized to improve the three Airport Development Program sites (Grano De Oro, Maiquetia, and Maturin) and the Government agreed to make the necessary land available for the construction. In

* See chart, p. 217-A and map on p. 165-A.

return for the improvements, the Government of Venezuela authorized Pan American to use the three airports without charge until 13 June 1945 (the date on which the company's operating concession was scheduled to expire) and extended the current operating concession for 15 years, divided into three 5-year periods. As an added compensation, Pan American received the right to use the airports at Coro and Barcelona free of charge. After 13 June 1945, all fixed improvements at the three Airport Development Program sites were to become the property of the Venezuelan Government.¹⁰³

SUMMARY

While Airport Development Program negotiations varied among the ten countries covered in this chapter, all of the governments had previously executed operating agreements with Pan American for air services. Except for the case of Paraguay, either Pan American or its subsidiary conducted discussions with the governments concerned for the Airport Development Program land requirements and reached an agreement satisfactory to both parties. State Department officials performed the negotiations in Paraguay without any attempt to disguise the role of the United States in the Program. Guatemala was an example of another country in which it was not necessary to shroud the Program in secrecy; however, Pan American personnel performed the necessary

USAFHS-63, Chap. VII

236

negotiations for airport property.

It was necessary for Pan American to form local companies in Dutch Guiana and French Guiana to satisfy the legal requirement which prohibited foreign corporations from receiving airport concessions. This requirement was one of form rather than substance and presented no major difficulty to the attainment of the Airport Development Program objectives.

Chapter VIII

THE DESTROYERS-BASES AGREEMENT: UNITED STATES AIR BASE SITES LEASED FROM THE UNITED KINGDOM

Evolution of the Base Sites Agreement

On 2 September 1940 Lord Lothian, British Ambassador to the United States, and Secretary of State Cordell Hull exchanged notes which provided that, in exchange for 50 naval destroyers, the United States would receive air base rights in the British dependencies in the Western Hemisphere. Excepting Newfoundland and Bermuda, all of the sites were located in the Caribbean Area. In contrast to the Caribbean locations, the Newfoundland and Bermuda sites were leased to the United States "freely and without consideration."¹

The British Government agreed to make six general areas in the Caribbean available for the immediate establishment of air bases: Bahamas (on the eastern side); Jamaica (on the southern coast); Saint Lucia (on the western coast); Trinidad (on the western coast in the Gulf of Paria); British Guiana (within 50 miles of Georgetown); and Antigua. While all of the air base sites would be leased to the United States for a period of 99 years without charge, the United States was expected to compensate owners of private property for losses caused by expropriation or damages occasioned by the establishment of the bases.²

United States and British representatives would determine the

exact metes and bounds of the air base areas and, should no agreement be reached, the matter would be turned over to the United States Secretary of State and the British Secretary of State for Foreign Affairs for settlement.³ On 3 September the President sent a message to Congress in which he stated that:

This is the most important action in the reinforcement of our national defense that has been taken since the Louisiana Purchase. . . . They [naval and military defense sites] are essential to the protection of the Panama Canal, Central America, the northern portion of South America, the Antilles, Canada, Mexico and our eastern and Gulf seaboard.

Included in the Presidential message were the exchange of notes by Lord Lothian and Secretary Hull of 2 September and an opinion by Attorney General Robert H. Jackson of 27 August declaring the transaction legal.⁴

French Premier Paul Reynaud originally proposed to Prime Minister Winston Churchill on 14 May 1940 the sale or loan of United States destroyers. On the following day, the Prime Minister brought the proposal to the attention of President Roosevelt, but the President was unable to give Churchill any encouragement on his request for destroyers. Because of a Congressional prohibition against the transfer of American materials to foreign governments (unless such materials were declared surplus by the War and Navy Departments) Congressional authority would be required before the destroyers could be made available to Great Britain. The possibility of declaring any of the

200-odd destroyers of the mothball fleet surplus at this time was extremely remote since defense requirements demanded the use of all naval vessels for national defense.⁵

By late summer 1940, several important events had altered the international picture. France had fallen. Great Britain drastically needed destroyers to protect her Atlantic shipping. The United States foresaw the requirements for additional bases in the Atlantic. On 13 August, President Roosevelt met with members of his Cabinet and drafted the basic elements of the proposed exchange agreement--British base sites for American destroyers.⁶

On 1 September, President Roosevelt designated an eight member Board of Experts, headed by Rear Admiral John W. Greenslade,* to select the specific base sites.⁷ During September and October 1940, the Board visited each of the British Caribbean possessions and submitted to the War and Navy Departments reports on individual sites recommended for the establishment of naval and air bases. The Board, likewise, included lease forms which were recommended for execution between the United States authorities and the local colonial governments at each location.

According to the general agreement between the United States

* The other members of the Board were Maj. Gen. Jacob L. Devers (USA), Capt. Russel S. Crenshaw (USN), Capt. Duette W. Rose (USN), Lt. Col. Harry J. Malony (USA), Cmdr. Kendal B. Bragg (USN), Cmdr. Calvin T. Durgin (USN), and Lt. Col. Omar T. Pfeiffer (USMC).

and Great Britain, the colonial governments would acquire title to privately owned properties located within the base limits and, after consolidating the individual parcels, would then lease them as a single unit to the United States.⁸ In line with an understanding reached earlier with Lord Lothian, Secretary Hull on 6 September instructed the United States diplomatic missions in the American Republics to inform their respective governments that the leased bases would be available for their use on an equal basis with the United States for the common defense of the Western Hemisphere.⁹

During the early part of 1941, United States representatives held conversations with members of the British Embassy in an effort to reach an agreement on a procedure for compensating colonial land owners whose holdings would be required for the construction of military bases. Both the United States and the colonial governments were interested in evolving a procedure that would prevent land values from becoming excessive and, consequently, resultant claims against these governments from becoming exorbitant.¹⁰

On 10 February 1941, Neville M. Butler of the British Embassy proposed to James C. Dunn, State Department Advisor, that the local colonial governments attempt to reach an agreement with the property owners on the amount of compensation to be paid. If an agreement were reached and approved by the United States, the British Government

would pay the stipulated amount and the United States would repay the sum at a later date. If an agreement were not reached, or if the United States disapproved an agreement reached, the question would be determined by a tribunal set up under existing colonial laws for awarding payments to private owners whose property is required for public utility purposes. The British Government would pay the amount dictated by the tribunal and the United States would reimburse the funds. If the United States authorities failed to concur in the findings of the tribunal, the matter would be settled by arrangements to be agreed upon by both Governments at a later date.

According to Butler, the British Government would request the Colonial Governors to consult with local United States representatives in regard to the above procedure before any offer of compensation was made to the property owners. The Colonial Governors would also be asked to furnish United States officials with information on: the price actually paid by the owner for his property; the date on which the property was acquired; the cost of improvements made to the property after its purchase; the value at which the property was assessed for tax purposes during the current year, and any changes in the assessed value for the past three years; the amount of taxes, properly certified, paid on the property; the usual local practice as to ordinary ratio between the assessed value of property and the current selling price; and the price at which similar property in the locality, both within and outside

USAFHS-63, Chap. VIII

242

the area, had been sold or could be purchased.¹¹ On 14 February 1941, Dunn notified Butler that the proposed procedure as set forth above was acceptable to the United States.¹²

Six weeks later, on 27 March 1941, the United States and Great Britain signed an agreement in London for the use and operation of the Caribbean defense sites. It was provided that the United States was entitled to abandon the leased areas at any time prior to the expiration of the 99-year period without penalty by giving a notice of one year to the British Government. Upon signature of the agreement, leases for the individual base sites were to be executed and were to become effective immediately. Pending the formal execution of these base leases, the United States was authorized to exercise control over the defense sites and to take possession of them immediately. In addition to the base sites agreed upon by both Governments, the United States was authorized to acquire by supplementary lease any defense areas deemed necessary for the protection of the bases under such terms as might be agreed upon.¹³

With the signing of the Agreement of 27 March 1941, the stage was now set for negotiations between representatives of the United States and those of the various colonial governments for the individual base leases.

ANTIGUA

On 19 October 1940, the Board of Experts arrived at St. John and conferred with the Governor of the Leeward Islands and leading civil and military authorities of Antigua. It had been determined that base sites were needed on Antigua to provide: facilities for patrol planes in the surveillance of the eastern entrances to the Caribbean Sea; a field from which to project air operations in support of the defense of the Leeward and Windward Islands; and a stepping stone for the movement of short range aircraft between Puerto Rico and Trinidad. Using the above requirements as a guide, the Board looked for a suitable airfield site to accommodate one composite group.

Prior to the arrival of the Board of Experts, local colonial authorities had conducted an extensive study of the defense sites requirements and this preliminary groundwork was of valuable assistance to the Board. After a reconnaissance of Antigua by ground and air, the Board recommended two sites for the construction of the airfield: one, an area located approximately two miles east of St. John, the other, the Cassada Gardens landing field in the Fort Bayam area on the peninsula south of Winthorpe's Bay. Since the former site contained some of the best agricultural lands on the Island and because it lay close to St. John, the colonial officials were reluctant to approve its use as an airfield. Subsequently, the Board recommended that the

Cassada Gardens site be acquired for the construction of a United States air base. Included in the Board's report was a form of lease which was recommended for use in the acquisition of the site.¹⁴

On 19 October, the Board of Experts held a final conference with the Governor and his representatives. The Governor approved the Board's recommendation but suggested that the proposed air base be under the control of the colonial government for use by United States military authorities. He also proposed that the airfield be made available for commercial operations. Admiral Greenslade observed that, while the Board had no specific instructions on this matter, the Board had recommended reciprocal use of such facilities elsewhere.¹⁵

In December 1940, Lieutenant Tahlman Krumm of the Engineers Corps set up an office in St. John and notified the colonial officials that his office would soon be prepared to initiate negotiations for the acquisition of land for the air base. On 31 December, the colonial government indicated that permission had been obtained from all property owners for surveys to be conducted at Cassada Gardens.¹⁶

During January and February 1941, the engineering force surveyed the defense area and discovered that additional land, beyond that originally contemplated in the Greenslade Report, would be required for the proper design, construction, and operation of the air base at Cassada Gardens. On 3 March, Lt. Krumm informed J. D. Harford,

Acting Governor of Antigua, of the additional land requirements and requested permission for the extension and development of the temporary landing field at Cassada Gardens. Krumm noted that plans for the improvements would be submitted to the colonial government for approval prior to the initiation of negotiations with the several property owners.¹⁷ Two days later, Harford wrote Krumm that permission had been requested from the property owners for work to begin immediately along the lines indicated in the letter of 3 March and that Krumm would be notified as soon as answers were received. Harford authorized Krumm to make direct contact with the owner of the Cassada Gardens landing field for its use inasmuch as he anticipated no difficulty in receiving the approval of the colonial government for such an arrangement.¹⁸

During a conference on 6 March 1941, Harford informed Krumm that, according to a cable received from Governor Lethem, then visiting in England, construction work would be initiated only on those lands designated in the Greenslade Report of October 1940. Krumm pointed out that such a restriction would not permit intelligent and efficient planning of the base site. If in the final analysis, the additional lands were not granted, drastic changes in the general layout of the air base would be necessary, thereby resulting in a waste of time, money, and effort.¹⁹

On 8 March, Lt. Krumm forwarded to the Acting Governor a

copy of the survey for the air base site, comprising approximately 1,173 acres, and requested that the colonial government acquire the necessary lands contained therein. The survey included additional property which had not been included in the Greenslade Report and it was requested that permission be granted as soon as possible for preliminary construction to begin prior to the execution of the final lease agreement. Krumm noted that his office would be willing to cooperate with the local officials by consulting with each property owner in regard to the exact location and extent of work contemplated.²⁰ Ten days later, the Acting Governor approved the request and noted that the permission was granted with the understanding that the question of the precise air base boundaries would remain subject to the final agreement between the United States and the Government of Antigua.²¹

Ho Clare Funk, United States Consul for Barbados, and Governor James Lethem of the Leeward Islands signed the final lease agreement for the Antiguan defense sites on 29 May 1941. The 99-year lease was identical to the form appended to the Agreement of 27 March 1941. It included the main air base area, consisting of approximately one and two-fifths square miles located six miles northeast of St. John, and provided for changes in the boundaries, as dictated by future defense requirements, without invalidating the lease proper. After the final maps and descriptions of the site were signed by the United States and Antiguan Governments, they would supersede those descriptions

contained in the original schedule.

On 14 June 1941, the Air Corps base on Antigua Island was designated Coolidge Field.^{*} After the execution of the 29 May Lease, it was found necessary to increase the size of Coolidge Field from 945 acres to approximately 1,284 acres. The United States authorities approved the base expansion on 6 February 1943 and the Antiguan Government acceded two weeks later.²²

BAHAMAS

The Board of Experts, visiting the Bahama Islands in early October 1940, recommended that an air base be established on Mayaguana Island,²³ but further investigation of the Mayaguana site proved it to be unsatisfactory for Air Corps purposes. When the Agreement of 27 March 1941 was signed by the United States and Great Britain, no lease was prepared for an air base site in the Bahamas; however, it was provided that, as soon as a suitable site was located, a lease similar to that proposed for the other defense sites would be executed at once.²⁴

By late May 1941 the Bahama Site Board which had been designated to select the air base site sent a survey detachment from the Bahama District Engineer's Office to select a suitable site. The detachment chose a site on the Island of Great Exuma for the proposed air base.²⁵

^{*} Named in honor of Captain Hamilton Coolidge who was killed in air action over France in 1918. For location, see map, p.259-A.

On 14 June, the site was officially designated Campbell Field in honor of Lieutenant Murton L. Campbell.^{*26} The Board estimated that \$10,000,000 would be required to construct Campbell Field. General Carl Spaatz, Chief of the Air Staff, recommended on 8 July that the Campbell Field project be deferred temporarily because of the estimated high cost and the scarcity of heavy construction equipment, already overtaxed by the Airport Development Program.^{†27} The Secretary of War concurred in General Spaatz' recommendation on 21 July.²⁸

While plans for the establishment of Campbell Field were never fulfilled, the Army Air Forces used two air bases on New Providence Island during World War II: Windsor Field and Oakes Field.^{††} Soon after the visit of the Board of Experts to the Bahamas in October 1940, the American Consul in Nassau informed the Secretary of State that Admiral Greenslade had indicated an interest in the Oakes airfield for possible use as an emergency landing field. The owner of the field, Sir Harry Oakes, assured the Consul that his airfield, along with 11,400 acres of adjoining land, was available for use by the United States free of any charges.²⁹ The offer was not accepted and almost two years passed before the War Department showed an interest in the Bahamas for air purposes.

* Intensive research has not revealed the circumstances for naming the site in his honor.

† See chapters 6 and 7.

†† See map, p.259-A.

During the summer of 1942, construction was begun on Windsor and Oakes Fields by provision of War Department Contract W-1098-Eng-1350. The War Department agreed to provide Army Air Forces technical facilities at the two bases for use in training British air units, designated as a British Operational Training Unit Project. Since the Government of the Bahamas agreed to furnish the necessary land and existing buildings required, the United States deemed it unnecessary to enter into a formal lease agreement with either the British or the local government.³⁰

Owing to a subsequent change of plans, the British Operational Training Unit Project was abandoned and Windsor and Oakes Fields were released to the British Government for training purposes. In January 1943, shortly after completion of the air base construction (total cost estimated at 15 million dollars), Secretary of State Cordell Hull requested that the British Government permit the Army Air Forces to use the two airfields for anti-submarine purposes or any other military operations deemed necessary. The United Kingdom approved this request.³¹

On 19 May 1943, the Secretary of War noted that, even though the Agreement of 27 March 1941 provided for the execution of a lease in the Bahamas, only a small naval base on the Island of Great Exuma was in the process of being acquired. Observing that the United States

had spent a large sum of money on the development of Windsor and Oakes Fields, the Secretary requested that the State Department approach the British Government in regard to obtaining a 99-year lease for the two airfields. Three weeks later, the Secretary of State acted accordingly. On 15 January 1944, the British Ambassador informed the State Department that, in the opinion of his Government, the question of the air base leases should be considered under the subject of postwar defense requirements and discussed at a later date. The American Consul in Nassau recommended on 10 August 1944 that the United States Government make arrangements for the use of the airfields while the war was in progress or run the risk of losing postwar privileges at the sites.³² There is no evidence to indicate that the Consul's recommendation was approved.

BRITISH GUIANA

On 14-15 October 1940, the Board of Experts visited British Guiana for the purpose of selecting a suitable air base site to serve aircraft engaged in the surveillance of the northern coast of South America, in the protection of valuable bauxite mines, and in the movement of troops and supplies south from the United States. Earlier, Arthur J. Williams (later commissioned a major in the Air Corps), Managing Director of British Guiana Airways, Ltd., on his own initiative had investigated possible airfield sites and had chosen the Hyde Park area as the most suitable location. Upon its arrival in

British Guiana, the Board summoned Williams to attend its meetings and assist in the investigation of landing field sites. After consideration of three possible locations, the Board recommended the Hyde Park area as the most practical one for the establishment of the air base.³³

During the early part of 1941, engineer personnel made extensive surveys of the Hyde Park area. The amount of land included in the boundaries proposed by the Board of Experts was 1,520 acres. In view of the need for runway developments and sanitary controls, the District Engineer recommended that 3,188 acres of additional land (making a total of 4,708 acres) be acquired from the colonial government. Titles to property located along the banks of the Demerara River near the site were in a chaotic condition. The colonial government had kept no records of land titles since 1900 and, consequently, claimants had to appear before a colonial commission to establish ownership of property. Original land grants along the river specified a certain amount of water frontage and extended landward for a distance of 9,000 feet; all land situated behind the 9,000-foot marker was vested in the name of the Crown. On 5 April 1941, the District Engineer requested authority from the Division Engineer to proceed with negotiations for the enlargement of the Hyde Park boundaries.³⁴ One week later, the War Department approved the enlarged boundaries and authorized their use in the negotiations with the colonial government for a lease agreement.³⁵

On 27 May 1941, representatives of the United States and the Colony of British Guiana signed a 99-year lease for the 4,708-acre Hyde Park site. The lease agreement was substantially the same as the form contained in the Agreement of 27 March 1941.³⁶ The new Air Corps station was designated Atkinson Field* on 14 June.³⁷ It was located 25 miles southwest of Georgetown on the east bank of the Demerara River.³⁸

During the next 18 months, personnel of the United States and British Guiana made a final survey of the Atkinson Field property. It was determined that the area contained 5,540 acres of land rather than 4,708 acres as established earlier and included in the 27 May 1941 Lease.³⁹ The Area Engineer also informed the Governor of British Guiana in January 1943 that two additional areas would be required for defense purposes near the air base: a Radio Range site, containing 16.46 acres, and a Bombing Range, comprising 12,080 acres.⁴⁰ The total area requested for the air base establishment was 17,636.46 acres.

In mid-March 1943, a representative of the colonial government inspected the additional areas and recommended that they be transferred to United States jurisdiction by a 99-year lease. Since the existing lease

* Named in honor of Lt. Col. Bert M. Atkinson a member of the Air Service during World War I.

† See map, p. 259-A.

pertained to lands owned by the colony and the property in question was owned by the Crown, it was noted that a supplementary 99-year lease would be required.⁴¹ On 17 May 1943, the Area Engineer notified the American Consul that higher headquarters had directed him to secure a signed lease for the additional areas and, in view of the fact that the colonial officials were soon to survey the extensions, it was requested that information on the present status of negotiations be forwarded.⁴² There is no record of a reply to this request.

On 30 December 1943, the Assistant Chief of Staff, G-4, Trinidad Sector and Base Command, observed that practically all negotiations regarding the additional land at Atkinson Field had been conducted by the Area Engineer with the colonial government without coordination through the G-4 office. It was noted that the colonial government had completed surveys of the new areas and was apparently ready to sign a lease. According to the procedure prescribed on 23 August 1943 by the Antilles Department, all requests for additional lands under a 99-year supplemental lease were to be forwarded to the War Department, through the Antilles Department and the Caribbean Defense Command, for approval prior to initiating formal discussions with the American Consul. Since the Area Engineer made his request before the above procedure was effective, the G-4 office was in doubt as to whether the procedure would be applicable; also, in view of the informal manner in which the Area Engineer's request was made, it was recommended that confirmation

and approval be obtained from higher headquarters so that the entire matter could be referred to London and the State Department for final determination. Finally, the G-4 office recommended that the most essential lands be placed under 99-year lease and the remaining areas leased for the duration of the war plus six months.⁴³

After the request had been submitted through proper channels, the War Department Chief of Staff radioed the Antilles Department on 8 March 1944 that approval was granted for the acquisition of the two additional areas by supplemental 99-year lease and that a draft lease agreement, including maps and descriptions, should be forwarded for submission to the State Department.⁴⁴

On 13 May 1944, the Division Engineer forwarded to the American Consul the final maps and schedules of all War Department 99-year leased areas in British Guiana and requested that they be submitted to the colonial government for approval. Upon approval, it was requested that the colonial officials submit a draft of final lease for signature by the United States and the Government of British Guiana. Since discrepancies existed in the descriptions of the 27 May 1941 Lease, the Division Engineer asked that the new lease include the original areas and that the old lease be declared void. It was understood that two separate leases would be required--one for colonial lands and the other for Crown properties--and that all 99-year leases in the colony would begin on 27 May 1941. Upon receipt of the draft lease, together with the approved

maps and schedules, the documents would be forwarded to the War Department for concurrence before signature.⁴⁵

In reply to the Division Engineer's request as to the status of the lease agreement, the American Consul on 25 July 1944 stated that, after referring the matter to the State Department for an advisory opinion, the maps and schedules were submitted to the colonial government on 30 June for appropriate action; however, according to the Attorney General, no attempt had been made as yet to examine the documents. The Consul advised that the final lease, upon receipt from the colonial government, would be submitted to the State Department; consequently, he suggested that the War Department transmit further correspondence on the subject through the Department of State which, in turn, would issue appropriate instructions to the American Consul.⁴⁶

On 4 August, the Division Engineer informed the American Consul that the customary procedure for processing the 99-year leases was as follows:

- (1) The Division Engineer submits final maps and schedules to the colonial government, through the American Consul, for approval.
- (2) The colonial government forwards the draft lease to the Division Engineer for approval. Any differences of opinion between the two parties are then taken up in conferences.
- (3) After approval by both the Division Engineer and the colonial representatives, the draft lease is forwarded to the War Department for review.

- (4) The War Department transmits the approved draft lease to the State Department for execution.

The Division Engineer observed that the Chief of Engineers was authorized to act for the War Department in coordinating all details related to the 99-year leases with the State Department. In view of the above arrangement, the Consul was asked to forward the final draft lease to the Division Engineer's office upon receipt from the colonial government.⁴⁷

No word was received from the Consul for the next five months. In the meantime, the Antilles Department notified the Commanding Officer of the British Guiana Base Command, on 21 December 1944 that he would submit a complete report on the status of the lease agreement not later than 15 January 1945 and would forward a monthly progress report each month thereafter until the lease agreement had been completed. The Antilles Headquarters made no objections to the Consul sending copies of the lease drafts to the State Department so long as the originals were returned to the Antilles Division Engineer for proper routing to the War Department. It was pointed out that the subject correspondence was originated by a War Department agency and that the American Consul was merely acting in the role of a liaison officer.⁴⁸

On 4 January 1945 the American Vice Consul reported no further progress on the lease agreement. He observed, however, that normal procedure would appear to require the immediate transmission of the drafts to the State Department for joint consultations with the War Department; in the meantime, State Department instructions were

requested by the Consul for clarification of this point.⁴⁹ By early February, however, the American Consul changed his position and agreed to submit the draft lease through War Department channels to the State Department for final clearance.⁵⁰

On 1 March, the American Consul notified the Commanding Officer, British Guiana Base Command that the final draft lease, recently received from the colonial government, was being forwarded to the Antilles Division Engineer.⁵¹ The lease agreement was examined and approved by the Antilles Department and forwarded for War Department action on 24 April. It was also requested that a supplemental 99-year lease be secured for 30 acres of land, recently determined to be necessary, for runway extensions at Atkinson Field.⁵² The War Department approved the final draft lease and forwarded it to the State Department on 11 June 1945 for execution. It was requested that the additional 30-acre tract be included in the 99-year lease.⁵³ By the end of World War II, the draft lease agreement had not been executed.⁵⁴ Nevertheless, the construction of Atkinson Field was carried out by the United States while discussions in regard to the draft lease were being conducted.

Besides Atkinson Field, there was a need for smaller landing areas in British Guiana to serve as emergency landing fields. On 1 October 1942, the Area Engineer requested permission from the Colonial Governor to investigate and construct a landing area in the

North West District. The Colonial Secretary agreed to the construction on 10 October, subject to the conditions that use of the site would be limited to the duration of the war (with renewal privileges), that the landing field would be available for use by all Allied Service Aircraft (including civilian aircraft used by Allied Governments) and civilian aircraft in case of emergency only, and that no passengers would be landed except in the event of mechanical failures.⁵⁵

The Area Engineer notified the Governor on 25 January 1943 that the new field, designated Shell Beach Emergency Landing Field,* had recently been completed. Formal permission to use the site--consisting of approximately 30 acres of Crown land and located 13 miles northwest of Point Kokali--for the duration of the war plus six months at no cost was granted by the Colonial Governor on 12 April 1943, subject to the same conditions specified on 10 October 1942.⁵⁶

During the latter part of 1942, the Area Engineer selected a natural landing area, situated one and three-fourths quarters miles east of St. Cuthbert's Mission on the Mahaica River in Demerara County, for use by aircraft in the event that Atkinson Field should become inoperative. Since the natural turf was suitable for landings, no improvements were required, except clearing of brush.⁵⁷ On 5 May 1943, the Governor officially authorized by permit the United

* See map, p. 259-A.

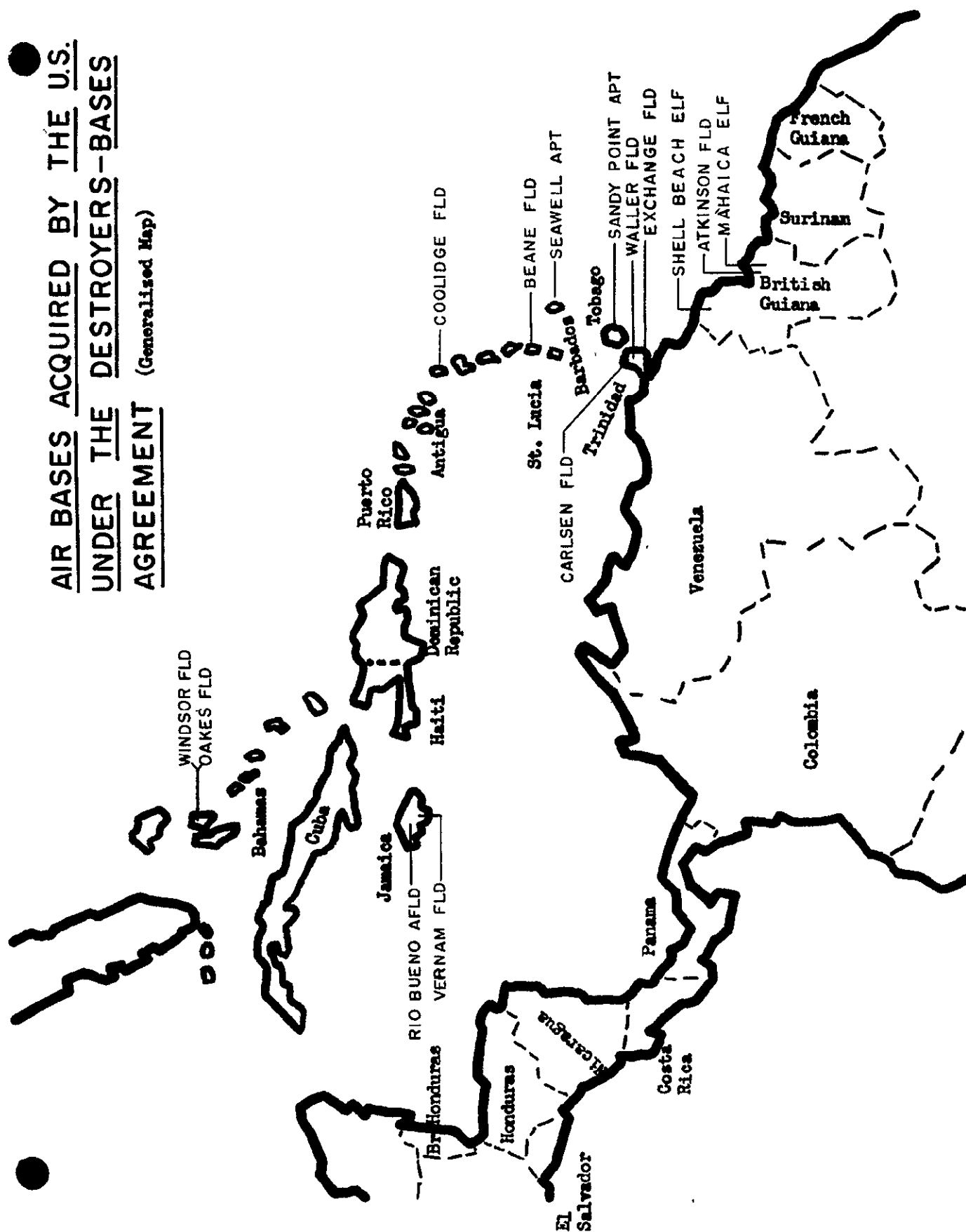
States to use the Mahaica Auxiliary Landing Strip,* containing approximately 30 acres of Crown land, under the same conditions as those embodied in the Shell Beach permit of 12 April 1943. However, two new provisions were added: no buildings could be erected at the site without prior permission from the colonial government, and no interference could be caused to the aborigines living in the vicinity of the field, particularly with respect to wood cutting.⁵⁸

JAMAICA

From 4-7 October 1940, the Board of Experts visited Jamaica for the purpose of selecting a suitable airfield site. Earlier, at the request of the Board, the local colonial authorities had made a study of possible airfield locations on the Island and had recommended five promising sites on the mainland to the north and east of Goat Island and south of Spanish Town-Old Harbour Railway. It was noted that no difficulty was anticipated in the acquisition of land at these locations. The Board reconnoitered the Portland Bight, Kingston, and Port Royal areas by air, land, and water. It was observed that the airfield on the Palisadoes, situated between Kingston and Port Royal, was the only landing field on the Island and that, with the exception of two runways (no more than one foot above the high tide mark), no other facilities were present at the field.

* See map, p. 259-A.

AIR BASES ACQUIRED BY THE U.S.
UNDER THE DESTROYERS-BASES
AGREEMENT (Generalized Map)



In a final conferance with the colonial officials on 7 October, the Board recommended that two sites be acquired: a 34-square mile area located south of Spanish Town in St. Catherine Parish for the main air base and a one square mile plot situated southwest of Spanish Town in Clarendon Parish for an emergency landing field.⁵⁹

Major Robert G. Lovett, District Engineer, set up his office in Jamaica during the latter part of December 1940 and proceeded to conduct surveys and investigations of the base sites recommended by the Board of Experts.⁶⁰ On 7 January 1941, the Division Engineer noted that the British Government had granted authority for construction to begin at the proposed Jamaican sites. According to the State Department directive, requests for land would be made to the colonial officials who, in turn, would acquire title to the areas. Instead of the general descriptions employed by the Board of Experts, the land requests were to be defined by exact metes and bounds. Except for preliminary investigations for appraisal purposes negotiations between United States authorities and individual property owners were prohibited. Upon acquisition of the land by the colonial government, the State Department would handle the transfer of and the payment for the subject areas.⁶¹

During late January and early February 1941, General Daniel Van Voorhis, Commanding General, Panama Canal Department, and General Frank M. Andrews, Commanding General, Caribbean Air Force,

inspected the Jamaican base sites. They discovered that the site selected for the main airfield in St. Catherine Parish was unsuitable; however, the site could be used for an auxiliary field. An area which was located 42 miles west of Kingston in the Parish of Clarendon was found to be the best site for the main airfield. On the basis of this information, the District Engineer on 15 February 1941 recommended to the Division Engineer that the two areas be approved.⁶²

On 22 March, the District Engineer radioed the Division Engineer that the new site for the main airfield had been surveyed and that 1,000 acres of additional land, mostly belonging to one owner, could be readily obtained. It was further recommended that 640 acres of land be acquired at the old site for the construction of an auxiliary landing field.⁶³ On the same date, the Division Engineer directed that no air facilities would be established at the old site in St. Catherine Parish.⁶⁴

Hugh H. Watson, American Consul General in Jamaica, notified Major Lovett on 29 March that the lease for base sites in Jamaica would be signed by the Consul on behalf of the United States Government. The lease would be in substantially the same form set out in the Agreement of 27 March 1941. It was requested that any consultations regarding either the establishment of exact metes and bounds or the negotiations for the lease agreement be conducted through the Consul's office.⁶⁵

On 10 May 1941, the District Engineer noted that a general description of the main air base area, consisting of approximately

1,800 acres, had been delivered to the Consul General. An exact metes and bounds survey of the area was being undertaken by representatives of the United States and the Jamaican Governments.⁶⁶ Having obtained permission from the property owners, the Colonial Government informed the District Engineer on 24 June that the United States was authorized to take possession of the main air base area pending the completion of negotiations for formal acquisition. On the same date, the United States authorities took possession of the site.⁶⁷ Ten days earlier, the main airfield was designated Vernam Field.^{*68}

A general description of the various defense sites to be acquired in Jamaica was forwarded to the War Plans Division on 8 July 1941. While the description did not represent exact metes and bounds, it was sufficiently accurate to be included in the proposed Jamaican lease agreement.⁶⁹ The War Plans Division felt that it was inadvisable to interrupt and delay negotiations until precise descriptions of the defense sites could be compiled; consequently, the general description was forwarded to the State Department which, in turn, forwarded it to the American Consul in Jamaica for incorporation with the lease agreement.⁷⁰

In answer to a query by the War Department in regard to the

* Named in honor of First Lieutenant Remington de B. Vernam, a World War I combat pilot. For location of the field, see map, p. 259-A.

status of the Jamaican lease agreement, the District Engineer observed on 24 October 1941 that the Colonial officials and the American Consul were in agreement that description of the defense area should be accurate and of a permanent nature before being incorporated into the lease instrument.⁷¹ The Division Engineer advised on 1 November that the War Department interpreted the Agreement of 27 March 1941 as requiring the immediate execution of a lease which would include the general description of the defense areas, with the exact metes and bounds to supersede the general description upon its completion at a later date.⁷²

In spite of the desire on the part of the War Department to execute an early lease agreement with the Jamaican officials, the District Engineer continued to work with the Colonial authorities and the American Consul for the next 15 months in an attempt to arrive at a precise definition of the defense site boundaries. By early February 1943 the Colonial officials felt that the limits of the areas selected for acquisition had been sufficiently defined to prepare a final surveyor's description. In the meantime, the original defense areas had been so changed that the present description scarcely resembled the schedule attached to the Agreement of 27 March 1941.⁷³

On 14 April 1943, the Division Engineer, following a request by the Colonial Government, recommended to the War Department that the final lease agreement be antedated to bear the date of 27 June 1941; however, it was requested that the execution of the lease be withheld

until complete reports, including appraisals, final maps and descriptions, were submitted to the Colonial Government.⁷⁴ The War Department approved the commencement of the 99-year lease on 27 June 1941.⁷⁵

From 2-8 July 1943, the Division Real Estate Officer met with the Colonial officials to coordinate the remaining work to be accomplished on the Jamaican land acquisitions. It appeared that all of the land titles had been duly certified by the Crown Solicitor except for a few parcels. According to the Solicitor, however, before the Colonial authorities would prepare a final lease a title clearance would have to be consummated for these few parcels.⁷⁶

In August 1943, the Division Engineer forwarded to the Crown Solicitor a complete set of final maps and descriptions pertaining to all of the Jamaican defense sites, including Vernam Field, to be acquired by 99-year lease.⁷⁷ Six months later, the Crown Solicitor observed that the process of securing title certifications for the sites was proving to be extremely difficult and time consuming; consequently, he had not been able to concentrate as yet on the terms of the final lease.⁷⁸ Although the Division Engineer requested information on the status of the lease agreement in mid-February 1944, there is no record that the Crown Solicitor made a reply to this inquiry.⁷⁹ Although the War Department made a concerted effort for the next year and a half to execute a final

lease agreement for the Jamaican defense sites, the close of World War II found the lease still in abeyance.

Vernam Field, consisting of 2,279.29 acres, was the principal airfield on the Island and was used extensively by the Air Transport Command.⁸⁰ In addition to Vernam Field, a small satellite field known as Rio Bueno Airfield* was constructed on the northern shore of Jamaica, approximately 75 miles northwest of Kingston in the Parish of Trelawny. Consisting of 300 acres of privately-owned land, Rio Bueno was leased from the Colonial Government on 24 June 1942 for a five-year period with an option to renew the lease for a similar period. The total rental charge for the five-year period was \$15,390.⁸¹

SAINT LUCIA

The Board of Experts arrived at Port Castries, St. Lucia on 18 October 1940 and immediately began conversations with the Governor and local Colonial officials in regard to the establishment of a landplane base on the Island. After investigating possible sites from the air and the ground, the Board observed that the only suitable location for air operations was in the Vieux Fort area, 42 miles south of Port Castries. It was recommended that an area of approximately one and one-half miles be set aside for the airfield after the completion of a

* See map, p. 259-A.

detailed survey. The Colonial officials pointed out that the Government of Barbados had initiated a settlement project at Vieux Fort which might present some difficulty in clearing titles to the land; however, the officials expressed no objection to the site recommendation.⁸²

From 19-21 December 1940, Lt. Col. J. D. Arthur, Jr., Maj. H. A. Craig, and Maj. H. L. Clark inspected the Vieux Fort area and determined that approximately 1,000 acres would be required for the base site. Both the Colonial officials and the Manager of the Barbados sugar interests were satisfied with these findings.⁸³

During the early part of 1941, the Area Engineer was engaged in securing permission from the Directors of the Vieux Fort Company and the Barbados Settlement Company to begin construction of the air base. As a result of a conference on 22 March 1941, attended by the Area Engineer, members of the Colonial Land Appraisal Committee, and the Directors of the Vieux Fort Company, the United States was granted permission to start the air base construction as soon as the Land Appraisal Committee had inspected the area for property evaluation purposes. The Vieux Fort Company agreed to vacate all lands and buildings by 12 April 1941 with the understanding that the Colonial Government would pay the Company a sum to be agreed upon in the future for compensation purposes.⁸⁴ On 25 March, the Land Appraisal Committee completed the inspection and evaluation of the Vieux Fort area.⁸⁵

On 7 April 1941, the District Engineer forwarded metes and bounds descriptions of the Vieux Fort area to the Division Engineer and requested authority to proceed with negotiations for a lease agreement on the basis of the newly recommended boundaries. The air base area recommended by the Board of Experts amounted to 2,616 acres while the new boundary included only 1,261 acres. Since the original area included the entire Barbados Settlement, almost all of the productive land on the southern tip of the Island, and mountainous land of little value for air base development, it was considered desirable to limit the area considerably and use only that amount of land actually required for the establishment of the air base.⁸⁶

On 12 May, the District Engineer was advised that the State Department had been requested to use the recommended boundaries in the execution of the Saint Lucia lease agreement. The American Consul in Barbados was charged with the responsibility of preparing the lease agreement in consultation with the Saint Lucia Government.⁸⁷

On 30 May 1941, the Area Engineer met with the Colonial officials and the American Consul to work out a final draft of the lease. The Crown Attorney had prepared a lease which included the original 1,261-acre tract; however, it had been determined earlier that an additional area of 745 acres would be required for the air base at Vieux Fort. The Colonial officials did not wish to include this additional

land in the 99-year lease on the basis that the Government could not lease land which it did not possess. The Area Engineer, on the other hand, felt that the lease should include all lands which were definitely known to be required for the air base at that time. As a compromise measure, it was agreed that provision would be made in the lease for the 745 acre tract to be turned over to the United States if and when the formal surveys were completed and the land acquired by the Colonial Government.⁸⁸

After receiving the approval of the State Department, the American Consul signed the 99-year lease agreement on 3 June 1941.⁸⁹ On 14 June, the Vieux Fort airfield was officially designated Beane Field.^{*90}

TRINIDAD

From 10-17 October 1940, the Board of Experts visited Trinidad for the purpose of selecting air base sites to deny the islands of Trinidad and Tobago as bases of enemy operations and to provide a base for aerial operations in northeastern South America. Prior to the arrival of the Board, the Governor of Trinidad and Tobago had selected an area on the west coast of Trinidad, known as Caroni Swamp, for the location of the defense sites. After inspecting the Caroni Swamp area, the American engineers concluded that the 20,000-acre swamp, submerged at high tide, could be made suitable only by building expensive dikes and fills which

* Named in honor of First Lieutenant James D. Beane, a World War I pilot, who was killed in action on 30 October 1918. For location of the field, see map, p. 259-A.

would require many years to settle properly.

After daily plane flights over the Island, members of the Board selected an area known as the Cumuto Reserve, located east of the town of Arima and west of the town of Sangre Grande along the Northern Mountain Range, for the site of the main Army air base. A site near Longdenville, approximately 12 miles southwest of the main air base site, was selected as the location of one of three contemplated auxiliary landing fields. The other two were left for later selection. Admiral Greenslade informed the Governor of Trinidad of the Board's preference for the above sites and noted that recommendations to this effect would be made to higher headquarters.⁹¹

On 27 December 1940, Major David A. D. Ogden, District Engineer, arrived in Trinidad and established his headquarters in Port of Spain. Discussions were begun immediately with the Governor, Sir Hubert Young, in regard to the sites selected by the Greenslade Board. Governor Young was not pleased with the selections of the Board of Experts and desired that the Caroni Swamp area be used as the site of the defense installations. For the next three months, negotiations were carried out in Washington to resolve the site selection issue and, in the meantime, no permanent construction was permitted at the Trinidad defense sites.⁹² Finally, on 22 April 1941, the 99-year lease for defense sites in Trinidad was signed by Governor Young and Claude H. Hall, Jr., the American Consul.⁹³ On 14 June, the Cumuto

Reserve area was officially designated Waller Field.⁹⁴

The first movement of Air Corps units from Panamanian airfields occurred in April 1941 when the 1st Bombardment Squadron (Heavy) departed from Rio Hato Field to Piarco Savanna Airport, Trinidad. Pending the completion of Waller Field, Piarco Field, a government landing field used by the Royal Navy and Pan American Airways, was occupied on a temporary basis.⁹⁵ By late October 1941, construction at Waller Field had progressed sufficiently to permit the 1st Bombardment Squadron (Heavy) and the 9th Bombardment Group (Heavy) to occupy the site.⁹⁶

Waller Field,* located 20 miles east of Port of Spain, was physically joined to Fort Read, the principal Army installation in Trinidad. Both defense bases encompassed 16,951.18 acres of land and consisted of approximately 50 percent privately owned land and 50 percent Crown property.⁹⁷

Carlsen Field,[†] located 12 miles southwest of Waller Field and 18 miles southeast of Port of Spain, was the second largest airfield constructed by the Army in Trinidad. It included the areas originally designated for Edinburgh Field and Xeres Field and encompassed an

* Named in honor of Major Alfred E. Waller, a World War I airman. For location of the field, see map, p. 259-A.

[†] See map, p. 259-A.

area of 3,061.66 acres.⁹⁸

Although the Board of Experts had recommended a site near Longdenville for the establishment of an auxiliary landing field, the Air Corps officials favored the development of Edinburgh Field, also located near Longdenville and used as an RAF training field. By an agreement reached with the Colonial Government on 16 October 1941, the United States received a 99-year lease for the use of Edinburgh Field. On 19 December, the Colonial Governor authorized the Army to occupy the site and begin construction. Additional land in excess of the original 1,650-acre tract at Edinburgh Field was requested by the Army on 2 January 1942 and four days later the Colonial Government gave verbal approval to this request.⁹⁹

Xeres Field, located south of and contiguous to Edinburgh Field, had been requested by the Army on 2 March 1942 as a temporary landing site for the duration of the war plus six months. As plans developed for a more elaborate installation on this site than had been originally planned, it was considered inadvisable to place the area under a short term lease. On 12 November 1942, the United States requested that the Colonial Government permit Xeres Field to be acquired by a Supplementary 99-year lease. The Colonial Governor agreed to this request on 30 November.¹⁰⁰

On 5 March 1942, the District Engineer requested permission from the Colonial Government to survey and initiate construction on a

proposed auxiliary airfield designated as Exchange Field* (originally referred to as "Calcutta"), located east of Couva on the west-central coast of Trinidad. Two days later, the Colonial Governor authorized the District Engineer to make surveys and investigations in the area but requested that construction activities be delayed for a few days until the matter of a short term lease could be taken up with His Majesty's Government in London. On 19 March, the Colonial Government authorized construction to begin at Exchange Field while the lease was under consideration in order to prevent unnecessary delays. Exchange Field eventually comprised 811 acres of land and was obtained for the duration of the war plus six months. 101

Although not technically acquired under the Destroyers for Bases Agreement, two additional airfields deserve attention in view of their close relationship with the Trinidad bases: Seawell Airdrome, Barbados and Sandy Point Airdrome,[†] Tobago.

In the spring of 1942, Colonel Charles F. Born, Commander of the Trinidad Detachment, VI Fighter Command, was directed to conduct a survey of air facilities at Barbados to determine the feasibility of establishing an advanced air base on the Island. During the summer of 1942, Colonel Born conferred with the Governor of Barbados and his advisors and concluded that Seawell Airport was the only suitable site

* See map, p. 259-A.

[†] Also referred to as Crown Point Airport. For location, see map, p. 259-A.

USAFHS-63, Chap. VIII

273

for air operations.¹⁰²

A memorandum of an agreement was forwarded to the Governor of Barbados in August 1942 by Major General H. C. Pratt, Commanding General, Trinidad Sector and Base Command, and General Pratt expressed the desire that an understanding be reached in regard to the use of Seawell Airport without the necessity of conducting negotiations with the British Government. Sir Henry Grattan Bushe, Governor of Barbados, felt that the Colonial Government was competent to negotiate such an agreement if no reference was made to a "lease" or a "base"; in other words, the Governor was willing to grant the Army Air Forces the right to use the landing field if land acquisitions were not involved.¹⁰³

On 8 September, General Pratt accepted the Governor's proposals as a basis for an understanding and noted that only Crown land would be required to improve and enlarge Seawell Airport.¹⁰⁴ On 6 October, Pratt sent Governor Bushe a statement of the requirements of the United States authorities for the establishment and efficient maintenance of an Aircraft Operating Station at Seawell Airdrome. . According to this statement, the United States would have the right to occupy Seawell Airdrome for the duration of the war and six months. In addition to the Crown land, the Government of Barbados would make available without cost such privately owned lands as might be required for the improvement of the airport.¹⁰⁵ On 23 October 1942, the statement of requirements was formally accepted by both parties as the basis for the establishment

USAFHS-63, Chap. VIII

274

of United States air units at Seawell.¹⁰⁶

Seawell Airport, located 11 miles southeast of Bridgetown, originally consisted of 41 acres and an additional area of 40 acres was made available to the United States without cost.¹⁰⁷

In October 1942, the Trinidad District Engineer requested that the American Consul in Trinidad make arrangements for the acquisition of Sandy Point Airdrome, located at Scarborough, Tobago, through a temporary lease for the duration of the war plus six months.¹⁰⁸ The American Consul pointed out that the Trinidad Government was willing for the United States authorities to improve and use the airport upon completion of construction, without the necessity of an agreement in writing, as in the case of Seawell Airport. In regard to a smaller area on which buildings were to be constructed, the Consul suggested that a lease for the duration of the war plus six months be executed, similar to those negotiated for various areas in Trinidad. General Pratt agreed to both of these suggestions.¹⁰⁹

By mid-December 1942, the Trinidad authorities gave permission for the Army to begin construction at Sandy Point Airport. The airport eventually consisted of 100 acres of public land which was made available to the United States without cost, except for a small area which was leased at a rental of \$1 per year.¹¹⁰

SUMMARY

By the exchange of notes between the British and American Governments on 2 September 1940, the United States received 99-year air base rights at six British dependencies in the Caribbean area: The Bahamas, Jamaica, Saint Lucia, Trinidad, British Guiana, and Antigua. The responsibility of selecting the specific base sites at each location rested with the eight-member Board of Experts, appointed by President Roosevelt.

On 27 March 1941, the United States and Great Britain signed an agreement which implemented the understanding reached on 2 September 1940 and provided that the United States was authorized to take possession of the 99-year base sites, pending execution of final leases with the colonial governments.

Crown lands involved no compensation. The expense of acquiring privately owned tracts in the colonies for the air base sites was to be borne by the British Government and reimbursed by the United States.

Negotiations between the United States representatives and the colonial authorities were conducted according to local practices. The differing political environments accounted for variances in the execution of the final lease agreements in the several British dependencies. In Trinidad, Antigua, and Saint Lucia, a final lease agreement was

signed on 22 April 1941, 29 May 1941, and 3 June 1941, respectively; however, no final agreement was reached in the Bahamas and Jamaica during World War II. Although a final lease was executed with the British Guiana Government on 27 May 1941, additional land requirements necessitated the preparation of a supplementary 99-year agreement; however, this instrument was not signed during the World War II period. In Trinidad (including Barbados and Tobago) and British Guiana, emergency landing fields were used by the Army Air Forces during World War II under local authority of the colonial officials and were not included in the 99-year arrangement.

NOTES

Chapter I

1. State Dept, "Construction of a Ship Canal to Connect the Waters of the Atlantic and Pacific Oceans," Treaty Series #431, Washington, 1938.
2. Hist France Air Force Base, Feb 17-Dec 49, Chap. 6, in USAF HD AAFLD-France-HI.
3. Memo for CG PCD from SJA PCD, Subj: Leases of Private Lands in the Republic of Panama, 14 Oct 40, in AAG 601 PCD (1941); Note # DD 727, Secy for Foreign Affairs, Panama to American Minister, Panama, 27 Apr 33, in AAG 601-1 PCD (1941).
4. Ltr, Secy of War to Secy of State, 14 Jul 33, in AAG 601-1 PCD (1941).
5. Hist Sixth Air Force, 1939, pp. 6-9, in USAF HD 465.01; Hist Albrook Fld, 1931-38, Incl #45, in USAF HD AAFLD-Albrook-HI.
6. Hist 19th Wg, AC, 1 Jan 40-20 Nov 40, App. "C" #36, in USAF HD Wg-19-HI; ltr, CG PCD to American Minister, Panama, 21 Jun 35; ltr, American Minister, Panama to CG PCD, 2 Jul 35, in AAG 601 PCD.
7. "Procedure Heretofore Used for the Expropriation of Land in the Republic of Panama"; Memo by Asst C/S G-4, PCD, subj: Taboguilla, 20 Mar 39, in AAG 601-1 PCD (1939).
8. USAFHS-42, Air Defense of the Panama Canal, 1 Jan 39-7 Dec 41, Jan 46, pp. 107-10.
9. Hist Rio Hato, 1 Jan 39-7 Dec 41, in USAF HD AAFLD-Rio Hato-HI; PCD Historical Study, "Acquisition of Land, Panama Canal Department," Oct 45, p. 67; 2d Lt J. H. Paul, "Rio Hato - Gunnery Camp of the 19th Wing," Air Corps News Letter, 15 Oct 38, p. 9.
10. PCD Historical Study, "Acquisition of Land, Panama Canal Department," Oct 45, p. 68; Hist 19th Wg, AC, 1 Jan 40-20 Nov 40, pp. 10-26, App. "B" #1, in USAF HD WG-19-HI.

11. State Dept, "Friendship and Cooperation," Treaty Series #945, Washington, 1939.
12. 6th Ind (basic ltr unknown) CG PCD to TAG, 6 May 37, in AAG 601 PCD.
13. Ltr, Asger Kierulff to CG PCD, 9 Jul 37, and 1st Ind, CG PCD to TAG, 24 Jul 37, in AAG 684-3 PCD (1937). According to one source, Kierulff originally suggested that the monthly rental figure be \$400 because "it took a Brigadier General to run such a field as was developing on his property and the use of land should be worth as much as the cost of a man to operate the installation." Discovering that the proposed rental fee did not meet with General Stone's approval, Kierulff stated "I settled for a Major's salary or \$200.00 per month." / See PCD Historical Study, "Acquisition of Land, Panama Canal Department," Oct 45, p. 69. /
14. Memo for CG PCD from JA PCD, 23 Aug 41, in AAG 680.5-1 (C) PCD. It should be noted that Kierulff, in his letter of 3 Aug 36, had offered the United States the right to purchase the entire Rio Hato area at the rate of \$18 per hectare.
15. Radio #40, TAG to CG PCD, 4 Sep 37; ltr, CG PCD to TAG, subj: Purchase of land near Rio Hato, Republic of Panama, 5 Aug 38, in AAG 684-3 PCD (1937).
16. Ltr, C/S WD to CG PCD, 5 Oct 38, in AAG 684-3 PCD (1938); ltr, CG PCD to C/S WD, 19 Oct 38, in AAG 684-3 PCD (1938).
17. Radio (unnumbered), TAG to CG PCD, 20 Dec 38; Radio #127, CG PCD to TAG, 30 Dec 38, in AAG 660.2-4/3B PCD. In answer to a WD request of 20 Dec 38 that an estimate of cost be submitted on the proposed Panamanian airfields, General Stone stated that \$350,000 would be required to establish ten airfields (Approximately one-half of the total amount to be expended on Rio Hato). These airfields were Rio Hato, La Chorrera, Jaque, Pocri, Pacora, Almirante, La Mesa, San Miguel Bay area, Perme, and a site on the Caribbean coast east of France Field. When General Stone was advised in January that \$220,000 only was available for the airfields, it was then necessary to make revisions and reapportion the funds to be spent at each site.
18. Memo for G-4 PCD from CG 19th Wg, AC, 23 Jan 39, in AAG 660.2-4/3B PCD.

19. Radio #195, TAG to CG PCD, 23 Feb 39, in AAG 660.2-4/3B PCD; Radio #175, CG PCD to TAG, 24 Feb 39, in AAG 660.2-4/3B PCD.
20. Radio #181, CG PCD to TAG, 28 Feb 39, in AAG 660.2-4/3B PCD. By approving a long-term lease, General Stone did not abandon his persistent view that the defense sites should be purchased by the United States. He recommended that, in case the WD concurred in the 999-year lease, the congressional appropriation act be so worded as to provide for either the purchase or lease of the necessary Panamanian defense sites.
21. State Dept, "Friendship and Cooperation," Treaty Series #945, Washington, 1939.
22. Ibid., Article II.
23. Ibid., Article X.
24. Ibid.; Dana Gardner Munro, The Latin American Republics (New York, 1942), pp. 467-68; Samuel Flagg Bemis, The Latin American Policy of the United States (New York, 1943), p. 293.
25. Norman J. Padelford, The Panama Canal in Peace and War (New York, 1942), pp. 76-79.
26. Memo for Asst Secy of War from TAG, subj: Acquisition of lands for airfields, Republic of Panama, 26 Aug 39, in AAG 660.2-4/3B PCD; 1st Ind (ltr, CG PCD to CG 19th Wg, subj: Airfields, Republic of Panama, 18 Aug 39), CG 19th Wg to CG PCD, 19 Aug 39, in AAG 601.1 PCD; AAG 660.2 PCD 8-25-39 Misc. D.
27. Ltr, CG PCD to American Ambassador, Panama, 8 Aug 39; ltr, American Ambassador, Panama, to CG PCD, 10 Aug 39, in AAG 601-1 (1939) PCD; ltr, CG PCD to American Ambassador, Panama, 11 Aug 39; ltr, American Ambassador, Panama to CG PCD, 16 Aug 39, in AAG 601-1 PCD.

28. Ltr, Secy of War to Secy of State, 8 Sep 39; ltr, Under Secy of State to Secy of War, 14 Sep 39, in AAG 601-4 PCD.
29. Memo for CG PCD from JA PCD, subj: Lease of Rio Hato by Republic of Panama, 28 Sep 39, in AAG 601-1 (1939) PCD; Memo for CG PCD from JA PCD, subj: Leases of private lands in the Republic of Panama, 14 Oct 40, in AAG 601-1 PCD; PCD Historical Study, Acquisition of Land, Panama Canal Department, Oct 45, p. 14. As expounded by his General Counsel, the Governor of the Panama Canal Zone favored the acquisition of the defense sites under the provisions of Article 2 of the 1936 Treaty rather than by long-term lease. By following such a procedure, the Governor felt that the defense sites would become a part of the Canal Zone and, therefore, be subject to the exclusive jurisdiction of the United States; in addition, he was of the opinion that Article 2 of the new Treaty could be legally invoked since the airfields were urgently needed and their acquisition made necessary by a contingency which was wholly unforeseeable at the time of signing the 1936 Treaty. /See ltr, Governor of the PC to CG PCD, 26 Aug 39, in AAG 601-1 PCD./
30. Ltr, Secy of War to Secy of State, 8 Sep 39, in AAG 601-4 PCD; Note #39, Under Secy of State to American Ambassador, Panama, 14 Sep 39, in AAG 601-4 PCD.
31. Memo for TAG from OQMG, subj: Acquisition of Long-Term Leaseholds, 13 Dec 39, in AAG 601-4 PCD.
32. 2d Ind (ltr, TQMG to TAG, subj: Acquisition of Long-Term Leaseholds, 13 Dec 39), TJAG to TAG, 27 Dec 39, in AAG 601-4 (1939) PCD.
33. 5th Ind (ltr, TQMG to TAG, subj: Acquisition of Long-Term Leaseholds, 13 Dec 39), TQMG to QM PCD, 7 Feb 40, in AAG 601-4 (1939) PCD.
34. Radio (unnumbered), CG PCD to TAG, 15 Jan 40, in AAG 601-1 PCD.
35. Ltr, Asst Secy of State to Secy of War, 16 Feb 40, in AAG 601-4 PCD.

36. 6th Ind (ltr, TQMG to TAG, subj: Acquisition of Long-Term Leaseholds, 13 Dec 39), CG PCD to TAG, 6 Mar 40; ltr, Governor of the PC to CG PCD, 6 Mar 40, in AAG 601-4 PCD, General Van Voorhis suggested that Article 4 be amended as follows:
"The Republic of Panama retains its sovereignty over the above described areas of land and water, but, nevertheless, consents that during the period of occupation of said areas under the terms of this agreement the United States shall have the complete use of said areas and shall exercise complete control over all persons within or upon the same; it being understood that cases involving violation of laws by military personnel will be referred to military courts or the courts of the Canal Zone, and cases involving violation of laws by civilians will be referred to the courts of the Canal Zone."
37. Ltr, Secy of War to Secy of State, 8 Mar 40, in AAG 601.53 Panama, PCD.
38. State Dept, "Friendship and Cooperation," Treaty Series #945, Washington, 1939.
39. Radio #425, TAG to CG PCD, 25 Apr 40; Radio #411, CG PCD to TAG, 25 Apr 40; Memorandum For Radiogram To Washington Office, Governor of the PC to Chief of Office, PC, Washington, 1 May 40; Radio #441, TAG to CG PCD, 9 May 40, in AAG 601-4 PCD.
40. Memo for CG PCD from JA PCD, subj: Leases of private lands in the Republic of Panama, 14 Oct 40, in AAG 601-1 PCD.
41. Ltr, Secy of War to Secy of State, 20 Jun 40, in AAG 601-4 PCD; ltr, Under Secy of State to Acting Secy of War, 3 July 40; Radio #519, TAG to CG PCD, 2 Jul 40, in AAG 601-4 PCD; Radio (unnumbered), CG PCD to TAG, 11 Jul 40, in AAG 601 PCD.
42. Hist 19th Wg, AC, 1 Jan 40-20 Nov 40, USAF HD WG-19-HI, p. 59.
43. Note #595, American Charge d'Affaires ad interim, Panama to Secy of State, subj: Negotiations with Panamanian Government for Lease of Tracts needed by U. S. Army for Air Fields in connection with Defense of Canal, 23 Jul 40, in AAG 601 PCD; Memo for CG PCD from JA PCD, subj: Leases of private lands in the Republic of Panama, 14 Oct 40, in AAG 601-1 PCD; ltr, CG PCD to C/S WD, 12 Nov 40, in AAG 601 PCD.

44. Hq 19th Wg, AC, SO 33, 28 Sep 39; Report of Emergency Landing Field Project Board, 30 Jul 40, in USAF HD AAFLD-Howard-HI. On 11 September 1939, General Dargue, CG 19th Wing, in a report to General Arnold on the status of the Auxiliary Landing Field Project, estimated that it would require at least two years to complete the Project. This estimate was based on the fact that authority for surveying and acquiring the sites had not been received and funds for obtaining them were not available to the Department Commander. Dargue recommended that the following airfields be acquired: I. Auxiliary Bases for Operations - San Miguel Bay, Pocri, David, Almirante Bay, and Perme; II. Dispersion Fields - La Chorrera, La Joya (La Jolla), and Mandinga; III. Emergency Landing Fields - Jaque, Chame, Aguadulce, La Mesa, and Las Lajas. It should be noted that the aforementioned sites were substantially in accord with those listed by the Emergency Landing Field Project Board on 30 July 1940. [See ltr, CG 19th Wg, AC to Chief of the AC, 11 Sep 39, in USAF HD 465.01.]
45. Hist 19th Wg, AC, 1 Jan 40-20 Nov 40, in USAF HD WG-19-HI.

NOTES

Chapter II

1. William L. Langer and S. Everett Gleason, The Challenge to Isolation, 1937-1940 (New York: 1952), pp. 607-8, 614, 622-23; William L. Langer and S. Everett Gleason, The Undeclared War, 1940-1941 (New York: 1953), p. 148.
2. Langer and Gleason, The Undeclared War, 1940-1941, p. 149. Several days earlier, opposition to the defense site agreement appeared when a society called "La Afirmacion Nacional" and composed of Panamanian patriots distributed handbills decrying the establishment of United States military bases in the Republic. Referring to Article 2 of the 1936 Treaty, the society maintained that the Air Corps was illegally occupying Rio Hato and that the Panamanian Government should reclaim this site in view of the treaty violations. [See Hist 19th Wg, AC, 1 Jan-20 Nov 40, in USAF HD WG-19-HI.]
3. Ltr, CG PCD to C/S WD, 12 Nov 40, in AAG 601 PCD.
4. Memorandum of Conversation with President Arias concerning leasing of Lands required by the United States Army for Defense Purposes, (undated), prepared by American Ambassador, Panama, in AAG 601 PCD.
5. Ltr, CG PCD to C/S WD, 12 Nov 40, in AAG 601 PCD; ltr, CG PCD to American Ambassador, Panama, 9 Nov 40, in AAG 601 PCD; ltr, CG PCD to C/S WD, 3 Jan 41, in AAG 601 PCD.
6. Note DD #3490, Secy of Foreign Relations, Panama, to American Ambassador, Panama, 3 Dec 40, in AAG 601-1 PCD.
7. Ltr, CG PCD to American Ambassador, Panama, 8 Dec 40, in AAG 601 PCD; ltr, Col. Earl North to CG PCD, subj: Acquisition of Lands - Republic of Panama, 18 Dec 40, in AAG 601-1 PCD; ltr, CG PCD to American Ambassador, Panama, 19 Dec 40, in AAG 601-1 PCD. On 30 December, Dawson forwarded Van Voorhis' request to President Arias in the form of a memorandum.

8. Incl #3 to Note #3, American Ambassador, Panama to Secy of State, subj: Leasing of Lands for Defense Purposes: Exchange of Memorandum regarding Priority Consideration for certain Tracts: Question of Authorization for Preliminary Work, 18 Jan 41, in AAG 601-1 PCD.
9. Note #889, American Ambassador, Panama to Secy of State, subj: Leasing of Lands for Defense Purposes, 18 Jan 41, in AAG 601-1 PCD.
10. Ltr, CG PCD to C/S WD, 3 Jan 41, in AAG 601 PCD; ltr, C/S WD to CG PCD, 14 Jan 41, in AAG 601-1 (c) PCD; ltr, CG PCD to C/S WD, 27 Jan 41, in AAG 601-1 (c) PCD.
11. Ltr, American Ambassador, Panama to CG PCD, 10 Jan 41, in AAG 601-1 PCD; ltr, CG PCD to American Ambassador, Panama, 11 Jan 41, in AAG 601-1 (c) PCD. Van Voorhis assumed that all land transactions would be through the Panamanian Government and that private tracts would be purchased by Panama. Assuming that it would be necessary for Panama to borrow the necessary funds and issue bonds at five percent, the General concluded that ten percent was a most liberal figure to be used in computing the compensation.
12. Note, Secy of State to the Panamanian Ambassador, U. S. , 14 May 42, in U. S. Aviation Agreements, Panama, in AC/AS-4, Air Installations File; Almon R. Wright, "Defense Sites Negotiations Between the United States and Panama, 1936-1945," Dept of State Bulletin, 11 Aug 52, Vol. 27, No. 685, pp. 214-15.
13. Radio #812, TAG to CG PCD, 10 Mar 41, in AAG 686-2 (c) PCD.
14. Radio (unnumbered), CG PCD to TAG, 11 Mar 41, in AAG 686-2 (c) PCD. On 7 March, the CG PCD was notified that, according to surveys conducted at the Panamanian sites, a total area of 9,385 hectares (3,016 hectares less than the estimate of 11 January) would be required for defense purposes. Using the sliding scale method proposed by Van Voorhis, the total value of the sites would be \$171,531. An alternate method proposed by the General was to pay a flat rate of \$18 per hectare (the average price paid for the Rio Hato property) which would amount to \$168,930. In either case, the total value would be paid in ten equal installments annually.

15. Telegram #51, Secy of State to American Ambassador, Panama, 26 Mar 41, in AAG 686-2 (c) PCD; Radio #835, TAG to CG PCD, 24 Mar 41; ltr, American Ambassador, Panama to CG PCD, 28 Mar 41; Radio #1026, CG PCD to TAG, 28 Mar 41; in AAG 686-2 (c) PCD.
16. Radio #851, C/S WD to CG PCD, 31 Mar 41, in AAG 686-2 (c) PCD. On 29 March, the WD radioed the CG PCD: "Government of Republic of Panama cooperating with United States by acceding to its request of certain sites in Republic of Panama for military purposes in common defense of Panama Canal, you are authorized and directed to proceed at once with such measures on these sites as are necessary to meet military requirements for which intended." On the following day, however, General Marshall notified Van Voorhis to disregard the above directive until further notice. With the clarification of these instructions on 31 March, Van Voorhis proceeded to make plans for occupying the sites. /See Radio #845, TAG to CG PCD, 29 Mar 41; Radio #849, C/S WD to CG PCD, 30 Mar 41; ltr, CG PCD to American Ambassador, Panama, 30 Mar 41; in AAG 686-2 (c) PCD.7
17. Ltr, CG PCD to American Ambassador, Panama, 1 Apr 41, in AAG 686-2 (c) PCD; ltr, American Ambassador, Panama to CG PCD, 2 Apr 41, in AAG 686-2 (c) PCD.
18. Radio (unnumbered), CG PCD to TAG, 12 Apr 41, in AAG 686-2 PCD. Rio Hato was already being used by the Air Corps under the lease of 1 January 1938 which accorded the Army the privilege of renewal to 31 December 1942. Participating in the formal transfer ceremonies were Licenciata Ferrari and Roberto Jimenez of Panama and Colonel Earl North and Lt. Col. B. H. Hinman of the United States Army.
19. Ltr, CG PCD to TAG, subj: Acquisition of Additional Sites in the Republic of Panama, 28 Aug 41, in AAG 680-B PCD; Radio (unnumbered), CG CDC to TAG, 2 June 41, in AAG 686-2 (c) PCD; Radio (unnumbered), TAG to CG PCD, 27 May 41, in AAG 686-2 (c) PCD; PCD Historical Study, Acquisition of Land, Panama Canal Department, Oct 45, pp. 31-35.
20. Ltr, CG PCD to American Ambassador, Panama, 10 Jun 41, in AAG 686-2 (c) PCD; ltr, American Ambassador, Panama to CG PCD, 13 Jun 41, in Land Lease File, 1936 on, PCD; Note DD #1574, Secy of Foreign Affairs, Panama to American Ambassador, Panama, 23 Jun 41, in AAG 601-1 PCD.

21. Ltr, CG PCD to American Ambassador, Panama, 30 Jun 41, in AAG 601-1 PCD; Hq PCD, SO 168, 19 Jul 41; ltr, CG PCD to American Ambassador, Panama, 19 Jul 41, in AAG 601-1 PCD; ltr, American Ambassador, Panama to CG CDC, 13 Jun 41, in Land Lease File, 1936 on, PCD. General Van Voorhis appointed the following officers as members of Joint Land Lease Boards 1 and 2: Col. Gordon R. Young (CE), Lt. Col. Ernest F. Robinson (CD), Lt. Col. Bayard Johnson (AC) - alternate member, Maj. Arthur E. Wilson (CA) - alternate member, Capt. James D. De Marr (SC) - alternate member.
22. Ltr, CG PCD to CG CAF, and others, subj: Procedure for Procurement of Defense Sites in the Republic of Panama, 21 Jun 41, in AAG 601-16 PCD.
23. Radio (unnumbered), TAG to CG PCD, 19 Jun 41; Radio (unnumbered), CG PCD to TAG, 21 Jun 41; in AAG 686-2 (c) PCD.
24. Ltr, CG PCD to American Ambassador, Panama, 22 Jul 41, in AAG 601-1 PCD; ltr, American Ambassador, Panama to CG PCD, 8 Aug 41, in AAG 686-2 (c) PCD; ltr, CG PCD to American Ambassador, Panama, 10 Aug 41, in AAG 686-2 (c) PCD; ltr, American Ambassador, Panama to CG PCD, 21 Aug 41, in AAG 686-2 (c) PCD.
25. Ltr, CG PCD to TAG, 22 Aug 41, in AAG 686-2 (c) PCD.

NOTES

Chapter III

1. Almon R. Wright, "Defense Sites Negotiations Between the United States and Panama, 1936-1948," Dept of State Bulletin, 11 Aug 52, Vol. 27, No. 685, p. 215-16; Langer and Gleason, The Undeclared War, 1940-1941, pp. 613-14.
2. Ltr, CG CDC to American Ambassador, Panama, 24 Nov 41, in Land Lease File, 1936 on, PCD; Note DP #2584, Secy of Foreign Affairs, Panama to American Ambassador, Panama, 3 Dec 41, in Land Lease File, 1936 on, PCD. General Andrews retained the old members as his representatives on the new boards. The Panamanian Foreign Secretary appointed Marcos A. Robles and Antonio De Leon for the Commission of Inspection and Francisco Gonzalez and Roberto Jimenez for the Commission for Provisional Transfer.
3. Memo for CG PCD from US Member of the Joint Land Lease Board, 12 May 42, in AAG 601-6 (1942) PCD; ltr, CG PCD to American Ambassador, Panama, 18 May 42; ltr, American Ambassador, Panama to CG PCD, 26 May 42; ltr, CG PCD to CG 6th AF and others, 12 Jul 42; in AAG 601-6 (1942) PCD.
4. Memo for American Ambassador, Panama from CG CDC, subj: Agreement for lease of defense sites between the government of Panama and the United States of America, 14 Nov 41, in AAG 686-2 PCD.
5. Langer and Gleason, The Undeclared War, 1940-1941, pp. 614-15.
6. Memo by American Ambassador, Panama, 15 Jan 42, in AAG 601-6 (c) PCD; ltr, American Ambassador, Panama to Deputy PCD, 9 Mar 42, in AAG 601-3 (c) PCD.
7. Memo for CG CDC from JA PCD, 3 Feb 42, in AAG 686-2 PCD. To substantiate the point that the United States had less jurisdiction over the Panamanian sites under the new version of Article IV than it had over lands in the Canal Zone, the following examples were noted by the Department Judge Advocate:

7. (cont'd)

(1) In the Canal Zone, the United States had civil jurisdiction over all persons; under the revised Article, similar jurisdiction would apply only to United States civil and military personnel and their families in the leased areas.

(2) In the Canal Zone, the United States had the power to punish all persons violating laws; under the revised Article, the United States was empowered to punish only those persons who committed malicious crimes against the safety of the installations while Panama was permitted to punish offenders for all other crimes in the leased areas.

(3) While adequate provisions were made for the punishment of Canal Zone offenders, there was no assurance that persons committing crimes on the defense sites, regardless of their danger to the residents, would receive a fair degree of punishment under existing Panamanian laws.

8. Ltr, American Ambassador, Panama to CG CDC, 21 Apr 42, in AAG 601-6 (c) PCD.
9. Draft of memo for CG CDC from JA PCD, 27 Apr 42; Memo for CG CDC from Governor PC, 1 May 42; Memo for CG CDC from CG PCD, 2 May 42; in AAG 601-6 (c) PCD.
10. Ltr, American Ambassador, Panama to CG CDC, 12 May 42, in AAG 601-6 (c) PCD.
11. The Department of State Bulletin, VI (May 23, 1942) 448-52.
12. Ibid.; ltr, Asger Kierulff to CG PCD, 25 Feb 42; ltr, CG PCD to CE, 4 Jun 42; Check Slip for CG PCD from CG CDC, 27 Feb 42; in AAG 601.53, Rio Hato, PCD.
13. Ltr, CG PCD to CG 6th AF and others, subj: Procedure for Procurement of Defense Sites in the Republic of Panama, 12 Jul 42, in AAG 601-6 (c) PCD.
14. Ltr, American Ambassador, Panama to Deputy PCD, 26 May 42, in AAG 601-6 PCD.

15. 9th Ind (ltr, TAG to CG CDC, subj: Defense Site Agreement, 24 May 42), Dist Engr, Isthmian Dist to CG PCD, 27 Jul 42, in AAG 601-6 (c) PCD; ltr, Deputy PCD to CG, Services of Supply, subj: Payment of Rentals for Defense Sites, Republic of Panama, 6 Aug 42; Check Slip, JA PCD to G-4, PCD, subj: Defense Site Agreement with Panama, 1 Aug 42; Note #353, Minister of Foreign Relations, Panama to American Ambassador, Panama, 6 Oct 42; in AAG 601-6 (c) PCD.
16. PCD Historical Study, Acquisition of Land, Panama Canal Department, Oct 45, pp. 93-95.
17. Ibid., pp. 97-98; ltr, Deputy PCD to CG, Services of Supply, subj: Payment of Rentals for Defense Sites, Republic of Panama, 6 Aug 42, in AAG 601-6 (c) PCD.
18. PCD Historical Study, Acquisition of Land, Panama Canal Department, Oct 45, pp. 58-63, 95-96.
19. Ltr, American Ambassador, Panama to CG PCD, 11 Sep 43, in AAG 601-6 (c) PCD.
20. Memo for CG PCD from CG CDC, subj: Category of Defense, CDC, 20 Apr 43, in AAG 381 PCD; Hist VI Bomber Command, 7 Dec 41-31 Jul 44, p. 59, in USAF HD 466.01.
21. Hist Paitilla Point Auxiliary Airdrome, 1942-Jul 43, in USAF HD AAFLD-Paitilla Point-HI; Routing Slip, AG CAF to CO PIC, 6 Feb 42, in Hist CAF, 8 May 41-6 Mar 42, Vol 3, in USAF HD. Originally, it had been planned to construct an airfield at David on a site located west of the Panamanian National Airport under the Airport Development Program (ADP); however, on 12 March 1941, work at David was suspended pending an analysis of engineering problems and coordination with respect to the defense sites negotiations between the United States and Panama. General Andrews recommended to the CG PCD on 9 April that the ADP be authorized to accomplish the projected improvements at the Panamanian National Airport proper rather than the site originally selected. It was pointed out that the Panamanian Commission had agreed to permit the development of Air Corps facilities in the northwest corner of the Airport. General Van Voorhis did not concur in the recommendation in the belief that the best interests of the WD would not be served by improving an airport over which Panama had any control

21. (cont'd)

when an airfield site was available in the immediate vicinity over which the United States would have complete control. In May, the CG PCD recommended to the WD that the funds originally scheduled for the development of an airfield at David under the ADP be allotted to the PCD for the accomplishment of such work. The WD approved the recommendation in August and the necessary funds for the development of David were transferred to the PCD. Before the work could get under way, General Davenport Johnson, who had succeeded General Andrews as CG CAF, suggested in October that the ADP be permitted to carry out the original plan of developing the required facilities at the National Airport for Joint United States-Panama use; however, the CG PCD did not favor this idea. As a result, World War II arrived without the necessary improvements being made at David, even though funds for improvements were available in the PCD. [See ltr, TAG to CG PCD, subj: Report on Visit to Latin America by Colonel C. L. Hall, CE, 12 Mar 41, in AAG 580.82 (1-31-41) M-D; Hist Sixth Air Force, 6 Mar 42-27 May 43, pp. 211-19, in USAF HD 465.01; ltr, CG PCDAF to CG PCD, subj: Airdrome and Servicing Facilities in Central and South America, 9 Apr 41; 1st Ind (ltr, CG PCDAF to CG PCD, subj: Airdrome and Servicing Facilities in Central and South America, 9 Apr 41), CG PCD to CG PCDAF, 15 Apr 41; ltr, CG PCD to TAG, subj: Landing and Operating Facilities, David, Republic of Panama, 1 May 41; 3d Ind (ltr, Chief, Bldg and Gnds Div to TAG, 21 Jul 41), TAG to QMG, 25 Aug 41; ltr, CG CAF to CG CDC, subj: Auxiliary Airdrome, David, R. de P., 23 Oct 41, in AAG 686 "A," Sites, Panama-Caribbean.]

22. Ltr, Deputy PCD to American Charge d'Affaires ad interim, Panama, 1 Oct 43, in AAG 601-6 (1943) PCD.

NOTES

Chapter IV

1. Ltr, CG PCD to TAG, subj: Acquisition of Galapagos and Cocos Islands, 5 Jan 39, in AAG 601-1 PCD.
2. Ibid.
3. Ibid.; ltr, CG PCD to Col Frank Knox, Publisher, Chicago Daily News, 27 Apr 39, in AAG 601-1 PCD; 1st Ind (Ltr, TAG to CG PCD, subj: Acquisition of Cocos and Galapagos Islands by United States, 2 Jun 39), TAG to CG PCD, 29 July 39, in AAG 601-1 PCD.
4. 2d Ind (ltr, TAG to CG PCD, subj: Acquisition of Cocos and Galapagos Islands by United States, 2 Jun 39), TAG to CG PCD, 29 Jul 39, in AAG 601-1 PCD.
5. Ltr, Under Secy of State to Secy of War, 12 May 39, in AAG 601-1 PCD; ltr, TAG to CG PCD, subj: Acquisition of Cocos and Galapagos Islands by United States, 2 Jun 39, in AAG 601-1 PCD. It is interesting to note that two resolutions--H. R. 5098 "To authorize the President to enter into negotiations with the Republic of Costa Rica for the acquisition of Cocos Island," and H. R. 5378 "To authorize the President to enter into negotiations with the Republic of Ecuador for the acquisition of the Galapagos Islands"--were introduced in the Congress on this subject; however, neither were reported out of the House Committee on Foreign Affairs.
6. Hist. 19th Wg, AC, 1 Jan-20 Nov 40, in USAF HD WG-19-HI, pp. 56-57; ltr, CG 19th Wg, AC to TAG, subj: Airdrome and Servicing Facilities in Central and South America, 30 May 40, in AAG 600 "A," Central America.
7. 4th Ind (ltr, CG 19th Wg, AC to TAG, subj: Airdrome and Servicing Facilities in Central and South America, 30 May 40), WD AGO to CG PCD, 30 Jul 40, AG 580 (5-30-40) M-WPD, in AAG 600 "A," Central America.
8. The Army Air Forces in World War II, I, 160, 165; Air Corps News Letter, Vol. XXIV, No. 11, 1 Jun 41.

9. USAFHS-42, Air Defense of the Panama Canal, 1 Jan 39-7 Dec 41, Jan 46, pp. 132-33.
10. Radio #118, TAG to CG CDC, 11 Dec 41, in CDC 686 War Files.
11. Hist. Caribbean Air Force, 8 May 41-6 Mar 42, in USAF HD 462.01, pp. 497-503; Hist. Sixth Air Force, 6 Mar 42-27 May 43, in USAF HD 465.01, pp. 219-26; Radio, CG CDC to US Minister, Ecuador, 13 Jan 42, in CDC 686 War Files. Maj Gen Davenport Johnson, CG CAF, preferred the development of the Guayaquil site to Salinas since commercial airways facilities were in operation at the former while an entirely new installation would have to be constructed at the latter site.
12. Ltr, US Minister, Ecuador to CG CDC, 16 Jan 42, in CDC 092.2 Treaties and Agreements with Ecuador; CDC Historical Study, Salinas, Preliminary Historical Study, in OCMH 8-2.9, AP, pp. 24-25.
13. Ltr, US Minister, Ecuador to CG CDC, 16 Jan 42, in CDC 092.2 Treaties and Agreements with Ecuador.
14. Agreement Between the United States and Ecuador for the Salinas Base, 24 Jan 42, in CDC 092.2 Treaties and Agreements - Ecuador.
15. US-Ecuador Hemispheric Defense Agreement, 2 Feb 42, in US Aviation Agreements, in AC/AS-4 file.
16. CDC Historical Study, Salinas, Preliminary Historical Study, in OCMH 8-2.9, AP, pp. 25-26.
17. Ibid.; Amendment to Agreement Between the United States and Ecuador for the Salinas Base, 20 Feb 42, in CDC 092.2, Treaties and Agreements - Ecuador. In regard to point #4, it was agreed that the base facilities would become the property of Ecuador upon termination of the agreement.
18. Ltr, US Minister, Ecuador to CG CDC, 17 Apr 42, in CDC 092.2, Treaties and Agreements - Ecuador.
19. Ltr, CG CDC to US Minister, Ecuador, 23 Apr 42, in CDC 092.2 Treaties and Agreements - Ecuador.

20. CDC Historical Study, Salinas, Preliminary Historical Study, in OCMH 8-2.9, AP, pp. 30-31; CDC Historical Study, Procurement, Occupation and Use of Air Bases in the Galapagos Islands, and at Salinas, Ecuador, in CDC files, pp. 35-36; Incl #1 to Note #3316, US Amb, Ecuador to CG CDC, 28 Jul 42, in CDC 092.2, Treaties and Agreements - Ecuador. It should be noted that General Andrews disapproved of the precedent established by the Ecuadorean Expropriation Commission in charging the United States for the cost of privately owned lands situated within the Salinas base area. At the 27 July conference, the Ecuadorean President assured Colonel Montesinos that his Government would acquire title to all lands initially and then deliver the parcels to the United States for defense purposes; in the case of public lands, there would be no charge for their use by the United States.
21. Second Amendment to Agreement Between the United States and Ecuador for the Salinas Base, 1 Oct 42, in CDC 092.2, Treaties and Agreements - Ecuador.
22. Ltr, TAG to CG CDC, subj: Defense Site Agreement with Ecuador, 12 Jun 42, AG 380(6-11-42) MS-3, in CDC 092.2, Treaties and Agreements - Ecuador.
23. 1st Ind (ltr, TAG to CG CDC, Subj: Defense Site Agreement with Ecuador, 12 Jun 42), CG CDC to TAG, 21 Jun 42, AG 380(6-11-42) MS-3, in CDC 092.2 Treaties and Agreements - Ecuador.
24. Report of Proceedings of Committee of Officers at Quarry Heights, 6 Jan 42, in AAG 680.1, Galapagos Islands; Memo for Chief Engr CDC from C/S CDC, subj: Establishment Army Air Base, Galapagos Islands, Ecuador, 8 Jan 42, in AAG 680.1, Galapagos Islands; Radios Nos. 130, CG CDC to TAG, 9 Jan 42 and 84, TAG to CG CDC, 14 Jan 42, in CDC War Files.
25. Ltr, CG CDC to US Minister, Ecuador, 21 Jan 42, in AAG 686, Galapagos; ltr, US Minister, Ecuador to CG CDC, 3 Feb 42, in AAG 040, American Ambassador to Ecuador.
26. Ltr, Col S. M. Montesinos to CG CDC, subj: U. S. Base, Galapagos Archipelago, 2 Mar 42, in AAG 686 Galapagos. The draft agreement provided that:

26. (cont'd)

- (1) The United States would construct landing fields and accompanying facilities for air and naval operations in the Galapagos Archipelago.
- (2) It would be in effect for the period of the war with option of United States occupancy continuing thereafter, if, in the opinion of the two Governments, danger of aggression should continue to exist.
- (3) The expropriation proceedings for the land comprising the defense areas would be conducted by Ecuador. The United States would compensate the Ecuadorean Government for the amount of reasonable indemnification brought about by these proceedings; however, no rent or other compensation would be paid for the use of the defense areas.
- (4) The title to the lands in question would remain with the Ecuadorean Government and that Government would retain full sovereignty over the defense areas at all times.
- (5) The United States would abandon the subject lands or any part thereof by giving Ecuador advanced notice of such intentions. All fixed improvements would become the property of the Ecuadorean Government after abandonment of the defense area by the United States.
- (6) The United States would be permitted to use any additional areas in Ecuador for defense purposes by supplemental agreement at any time during the period of the agreement for the remaining period of the agreement on the same terms contained in this agreement and included as additional annexes, unless there should be special reasons to the contrary.

/See Draft of "Agreement for the Use and Operation of the United States Defense Areas in the Galapagos Archipelago," in AAG 092.2 Treaties and Agreements, US - Ecuador.

27. Ltr, Col S. M. Montesinos to CG CDC, subj: U. S. Base, Galapagos Archipelago, 2 Mar 42, in AAG 686 Galapagos.
28. Memo for Col S. M. Montesinos from CG CDC, 9 May 42, in CDC 092.2 Treaties and Agreements, US - Ecuador.
29. Ltr, CG CDC to US Minister, Ecuador, 10 May 42, in AAG 686 Ecuador; ltr, CG CDC to US Minister, Ecuador, 14 May 42, in CDC 092.2, Treaties and Agreements, US - Ecuador.

30. Ltr, CG CDC to TAG, subj: Galapagos Islands, 16 May 42, in AAG 686 Galapagos.
31. 1st Ind (ltr, CG CDC to TAG, subj: Galapagos Islands, 16 May 42), TAG to CG CDC, 6 Jun 42, in AAG 686 Galapagos.
32. Ltr, CG CDC to US Minister, Ecuador, 21 Jun 42, in AAG 686 Galapagos; CDC Historical Study, Procurement, Occupation and Use of Air Bases in the Galapagos Islands, and at Salinas, Ecuador, in CDC Files, pp. 47-48.
33. Memo for CG CDC from US Amb, Panama, 16 Sep 42, in CDC 092.2, Treaties and Agreements, US-Galapagos; ltr, CG CDC to TAG, subj: Agreement re Base in the Galapagos Islands, 17 Sep 42, in CDC 092.2, Treaties and Agreements, US-Galapagos; 1st Ind (ltr, CG CDC to TAG, subj: Agreement re Base in the Galapagos Islands, 17 Sep 42), TAG to CG CDC, 27 Sep 42, in CDC 092.2, Treaties and Agreements, US-Galapagos; ltr, US Amb, Panama to CG CDC, 2 Oct 42, in CDC 092.2, Treaties and Agreements, US-Galapagos; ltr, CG CDC to US Amb, Ecuador, 4 Oct 42, in CDC 092.2, Treaties and Agreements, US-Galapagos; CDC Historical Study, Procurement, Occupation and Use of Air Bases in the Galapagos Islands, and at Salinas, Ecuador, in CDC Files, p. 51; ltr, US Amb, Panama to CG CDC, 15 Oct 42, in CDC 092.2, Treaties and Agreements, US-Ecuador.
34. In the meantime, preparations were being made in Washington for the visit of the Ecuadorean President. Anticipating the fact that the status of the Galapagos Islands would be a topic of conversation between the two parties, General George C. Marshall suggested to Admiral William D. Leahy, Advisor to the President, on 22 November 1942 that this occasion would be a propitious time to reach an agreement with the President of Ecuador on the use of the Galapagos Islands by United States military forces. It was felt that the recent successes of American military forces in North Africa might create a favorable psychological climate for such discussions. Realizing the importance of the Galapagos Archipelago in the defense of the Panama Canal, General Marshall stated that the United States should secure permanent operational rights there. While various political factors would determine the manner in which such rights would be secured, ranging from outright purchase to an agreement for special operational privileges, General Marshall felt that, from a military point of view, any agreement with

34. (cont'd)

regard to the Galapagos Islands should make provision for the following minimum requirements:

- (1) The exercise of complete control by the United States over the Seymour Islands and the northern shore of Santa Cruz Island.
- (2) The right to establish certain defense installations under the control of the United States on any of the Galapagos Islands for the protection of the air base on South Seymour Island.
- (3) The right of United States military aircraft and vessels to operate freely in the entire Galapagos Islands.
- (4) The privilege of shipping personnel and equipment to the Islands without the requirement of paying duty or taxation to the Ecuadorean Government.
- (5) The right to obtain water from San Cristobal Island.

In conclusion, General Marshall pointed out that the rapidly mounting financial investment by the United States in the Galapagos Islands, estimated to eventually approach \$8,000,000, might cause the Ecuadorean officials to demand an excessive value as compensation for the use of the Islands, if negotiations between the two Governments were protracted. In late 1942, President Roosevelt met with President Arroyo del Rio of Ecuador in Washington and, while the Galapagos Islands question was discussed, no understanding was reached in regard to a formal agreement for the use of the Islands by the military forces of the United States. See Memo for Admiral Leahy from General George C. Marshall, 22 Nov 42, in AAG 381 CDC Operations and Defense of Galapagos and Salinas; and, CDC Historical Study, Procurement, Occupation and Use of Air Bases in the Galapagos Islands, and at Salinas, Ecuador, in CDC Files, p. 57.7

35. Memo for Col S. M. Montesinos from CG CDC, 12 Mar 43, in AAG 381 Galapagos; Memo for CG CDC from Col. S. M. Montesinos, 13 Mar 43, in AAG 381 Galapagos.
36. Ltr, CG CDC to C/S WD, subj: The Galapagos Islands, 16 Mar 43, in AAG 381 Galapagos; 1st Ind (ltr, CG CDC to C/S WD, subj: The Galapagos Islands, 16 Mar 43), TAG to CG CDC, 30 Mar 43, in AAG 381, Galapagos.

37. Ltr, CG CDC to TAG, subj: Galapagos Islands, 28 Sep 43, in AAG 381, Galapagos; ltr, TAG to CG CDC, subj: Galapagos Islands, 11 Oct 43, in AAG 381, Galapagos; CDC Historical Study, Procurement, Occupation and Use of Air Bases in the Galapagos Islands, and at Salinas, Ecuador, in CDC files, p. 63.
38. Memo for CG CDC from Col S. M. Montesinos, subj: Conversation held with General Alberto C. Romero, Minister of National Defense of Ecuador, 2 Dec 43, in AAG 381 Galapagos.
39. CDC Historical Study, Procurement, Occupation and Use of Air Bases in the Galapagos Islands, and at Salinas, Ecuador, in CDC files, 11. 67-69. Two events occurred at this time: the absence of the Ecuadorean President from Quito and a recommendation by the Aviation Sub-committee of the House Committee on Military Affairs that the United States acquire permanent military rights in the Galapagos Islands. In view of the former, the Ambassador was unable to immediately convey the State Department's message of 4 December and, in respect to the latter, the Ambassador was concerned lest this report be publicized and thereby jeopardize the execution of the Galapagos agreement. The effect of these two events on the negotiations between the two Governments can not be determined from available sources.
40. Austin F. MacDonald, Latin American Politics and Government (New York, 1949), 17, pp. 446-48; Arthur P. Whitaker (editor), Inter-American Affairs, 1944 (New York, 1945), pp. 36-38.
41. Whitaker, Inter-American Affairs, 1944, pp. 251-52.
42. Radio, TAG to CG CDC, 25 Jul 44, in CDC 092.2, Treaties and Agreements, US-Ecuador [enclosing State Dept. Dispatch to US Amb to Ecuador].
43. Ibid.
44. CDC Historical Study, Procurement, Occupation and Use of Air Bases in the Galapagos Islands, and at Salinas, Ecuador, in CDC Files, pp. 74-76, 78-79.

45. The air base in the Galapagos Islands was actually located on Baltra Island, immediately south of and adjacent to Seymour Island. The initial designation of the location as Seymour Island was probably due to the lack of accurate maps of the area and insufficient information in respect to the locality. Since the Army referred to the site as Seymour Island initially, the air base in the Galapagos Islands was referred to by that designation during World War II, if for no other reason, to prevent confusion. See CDC Historical Study, Construction and Real Estate Activities in the Caribbean Defense Command, 1 Nov 46, in OCMH 8-2.8, AL, Vol. II, p. 609.
46. USAFHS-42, Air Defense of the Panama Canal, 1 Jan 39-7 Dec 41, Jan 46, pp. 87-89; 2d ind (ltr, OCAC to TAG, subj: Location of Air Corps Units, 31 Jan 41), CG PCD to TAG, 24 Mar 41, in CDC 686 General. Soon after this flight, General Van Voorhis recommended to the War Department that four air bases be established at the following sites: Salinas and Esmeraldas, Ecuador; Chiclayo and Talara, Peru. On 2 May 41, the OCAC concluded that commercial air facilities at the above sites were adequate and did not warrant further development for military purposes. See 4th ind (ltr, OCAC to TAG, subj: Location of Air Corps Units, 31 Jan 41), OCAC to TAG, 2 May 41, in CDC 686 General; and 5th ind (ltr, OCAC to TAG, subj: Location of Air Corps Units, 31 Jan 41), TAG to CG CDC, 17 May 41, in CDC 686 General.
47. Memo for CG PCD from CG PCDAF, 2 May 41, in AAG 686.9 General. General Andrews observed that he had discussed the project with the American Ambassador in Lima and that a general agreement had been reached on the broad outlines of the program.
48. Ltr, TAG to CG PCD, 24 May 41, in AAG 686.9 General. Earlier, General Andrews had suggested that portions of the Lend-Lease funds earmarked for the Peruvian Government be used for this project. The War Department noted that, while the President had approved Lend-Lease aid for Peru in April, no decision had been made as yet regarding the manner in which these funds could be spent.
49. Ltr, US Military Attache, Peru to CG CAF, 3 Nov 41, in AAG 686.9 General; Hist. Caribbean Air Force, 8 May 41-6 Mar 42, in USAF HD 462.01, pp. 169-72.
- General Andrews favored the development of the Peruvian airfields under the ADP since military aircraft would be subject

49. (cont'd)

to less restrictions under this plan than they would be if the sites were developed by the Peruvian Government. By December 1941, however, it became apparent that means other than ADP would have to be sought for the development of the airports. [See ltr, CG CAF to US Military Attache, Peru, 21 Nov 41, in AAG 686.9 General; and ltr, US Military Attache, Peru to CG CAF, 27 Nov 41, in AAG 686.9 General.]

The entrance of the United States into World War II did not modify General Andrews' conviction that an alternate air route from the west coast of South America to the critical Belem area on the east coast was essential both from the standpoint of hemisphere defense and the protection of the Panama Canal. Such a project necessitated, in the opinion of General Andrews, the establishment of airports at the following points along the route: Talara, Peru (or Salinas, Ecuador); Iquitos, Peru; Leticia, Colombia (or Tabatinga, Brazil); Manos, Brazil; Belterra, Brazil; and Belem, Brazil.

A means of financing the improvement of the Iquitos airport--a vital point along the alternate route--had not been reached by the Spring of 1942. On 13 March 1942, General Andrews notified the War Department that an air base at Iquitos was desirable, irrespective of the outcome of the alternate air route proposal. During April, an engineering survey of possible airport sites in the Iquitos area was accomplished by the Panama District Engineers at the direction of the CG CDC. It was recommended that the existing airport be improved to accommodate military aircraft. Colonel U. G. Ent, US Military Attache to Peru, concurred in the recommendation and added further that any construction work in Iquitos should be accomplished by a civilian company rather than the US Army Engineers.

In mid-July 1942, the War Department approved the Iquitos airport project subject to two stipulations: (1) If such improvements could be accomplished with equipment already existing in South America, (2) If the construction could be accomplished by an agency other than the CDC. Plans were then made to accomplish the improvements under the ADP; however, the War Department formally withdrew its endorsement of the project in November before these plans could be fully developed. The War Department action came when it was revealed that the Defense Supplies Corporation of the Department of Commerce had scheduled airport improvements at Iquitos and other locations in the Amazon basin

49. (cont'd)
in a rubber development program. /See CDC Historical Study, United States Missions and Bases in Peru and the Caribbean Defense Command, Period of World War II, in OCMH 8-2.8, BI, pp. 31-33, 40-42; and ltr, Maj. Harlow to US Military Attache, Peru, subj: Report of Engineering Survey of Airport Site, Iquitos, 24 Apr 42, in AAG 686-B, South America; and ltr, Col. Ent to CG CDC, subj: Report on Iquitos Airport Survey, 25 Apr 42, in AAG 686-B, South America./
50. Radio, US Military Attache, Peru to CG CDC, 31 Dec 41, in CDC War Files; CDC Historical Study, United States Missions and Bases in Peru and the Caribbean Defense Command, Period of World War II, in OCMH 8-2.8, BI, pp. 28-30; CDC Historical Study, Procurement, Occupation, and Use of Peruvian Bases, in CDC files, pp. 17-19.
51. The first indication that the Peruvian government was becoming more amenable toward the establishment of an airbase at Talara came on 21 January 1942 when the American Ambassador in Peru noted that the Peruvian Government was prepared to permit the Army Air Forces to operate a servicing base in Northern Peru to facilitate long range patrolling missions. While the Ambassador did not feel that this offer satisfied the requirements of the War Department, he looked upon it as a start in the right direction toward the acquisition of the Talara base. Three days later, Peru severed relations with the Axis Powers and, on the same day, the American Ambassador was informed by the Peruvian Government in an exchange of notes that the United States would be permitted to use the Talara base facilities on a limited service basis. General Andrews was of the opinion that this offer came too late to be of any immediate decisive value to the CDC. Concrete plans to develop the Salinas base had materialized and the CG CDC did not favor abandoning these plans at the expense of losing the good will of Ecuador. /See CDC Historical Study, United States Missions and Bases in Peru and the Caribbean Defense Command - Period of World War II, in OCMH 8-2.8, BI, pp. 33-34; and, CDC Historical Study, Procurement, Occupation, and Use of Peruvian Bases, in CDC Files, pp. 25-26./
52. CDC Historical Study, United States Missions and Bases in Peru and the Caribbean Defense Command, Period of World War II, in OCMH 8-2.8, BI, pp. 43-48; Hist. VI Air Force Service Command, and Panama Air Depot, 42, in USAF HD 470.01, Annex #380.

53. Agreement Between the United States and Peru for the Talara Base, 24 Apr 42, in CDC 092.2, Treaties and Agreements, US-Peru.
54. Lease Between the International Petroleum Company, Ltd. of Toronto, Canada and the Government of the United States of America, 26 May 42, in CDC 680.4, Leases, Peru.
55. Memo for Chief Engr, CDC from Col. Henry E. Cox, Hq Engr Sv, CDC, subj: Lease Agreement with International Petroleum Co. Ltd. Covering Talara Base, 14 Mar 43, in CDC 680.4 Leases, Peru 1944; CDC Historical Study, United States Missions and Bases in Peru and the Caribbean Defense Command, Period of World War II, in OCMH 8-2.8, BI, pp. 43-48; CDC Historical Study, Procurement, Occupation, and Use of Peruvian Bases, in CDC files, pp. 37-38.
56. Hist. Sixth Air Force, Mar 42-May 43, in USAF HD; CDC Historical Study, United States Missions and Bases in Peru and the Caribbean Defense Command, Period of World War II, in OCMH 8-2.8, BI, p. 62.
57. Memo for Chief Engr, CDC from Col. H. E. Cox, Hq Engr Sv, CDC, subj: Lease Agreement with International Petroleum Co. Ltd. Covering Talara Base, 14 Mar 43, in CDC 680.4 Leases, Peru, 1944.
58. Radios, TAG to CG CDC, 1 May 42 and CG CDC to TAG, 5 May 42, in CDC War Files; Report on Conference in Lima, 11-16 Jun 42, par. 4b, in CDC 092.2, Treaties and Agreements, Peru.
59. Ltr, TAG to CG CDC, subj: Conference in Lima Concerning US-Peruvian Defense Agreement, 4 Jun 42, in CDC 092.2, Treaties and Agreements, Peru; CDC Historical Study, Procurement, Occupation, and Use of Peruvian Bases, in CDC files, pp. 41-42.
60. Ltr, CG CDC to TAG, subj: Agreement re Talara, Peru Base, 30 May 42, in CDC 336.01, US-Peru; Radio, TAG to CG CDC, 5 Jun 42, in CDC War Files.
61. Report: Conference in Lima Jun 11-16, 42, Concerning United States-Peruvian Defense Agreement, in CDC 092.2, Treaties and Agreements, Peru.

62. Ibid.
63. 2d Ind (ltr, TAG to CG CDC, subj: Conference in Lima Concerning US-Peruvian Defense Agreement, 4 Jun 42), Brig. Gen. A. B. McDaniel to CG CDC, 20 Jun 42, in CDC 092.2, Treaties and Agreements, Peru; ltr, CG CDC to Col. U.G. Ent, 21 Jun 42, in CDC 092.2, Treaties and Agreements, Peru.
64. 3d Ind (ltr, TAG to CG CDC, subj: Conference in Lima Concerning US-Peruvian Defense Agreement, 4 Jun 42), CG CDC to TAG, 26 Jun 42, in CDC 092.2, Treaties and Agreements, Peru; 4th Ind (ltr, TAG to CG CDC, subj: Conference in Lima Concerning US-Peruvian Defense Agreement, 4 Jun 42), TAG to CG CDC, 9 Jul 42, in CDC 092.2, Treaties and Agreements, Peru.
65. Note #6-2/241, Minister of Foreign Affairs, Peru to US Charge d'Affaires to Peru, 8 Jul 42, in CDC 092.2, Treaties and Agreements, Peru; US-Peru Hemispheric Defense Agreement, 9 Jul 42, in CDC 092.2, Treaties and Agreements, Peru.
66. US-Peru Hemispheric Defense Agreement, 9 Jul 42, in CDC 092.2, Treaties and Agreements, Peru.
67. Ltr, CG CDC to US Minister, Costa Rica, 21 Jan 42, in AAG 601 PCD.
68. Ltr, US Minister, Costa Rica to CG CDC, 24 Jan 42, in AAG 601 PCD.
69. Ltr, Lt. Col. M.N. Clark to CG CDC, 6 Feb 42, in USAF HD 462.01, Vol. 2.
70. Checkslip, G-4, PCD to C/S PCD, subj: Sixola Airfield, C.R., 2 Aug 44, in AAG 601 PCD; United States Aviation Agreements, Central America, Costa Rica, in AC/AS-4 file.
71. Hist. Sixth AF, 6 Mar 42-27 May 43, in USAF HD 465.0p, pp. 210-211; ltr, CG CDC to US Minister, Nicaragua, 15 Apr 42, in AAG 686 CDC; ltr, Col. S. M. Montesinos to CG CDC, subj: Airfield, Puerto Cabezas, Nicaragua, 4 Jun 42, in AAG 601 PCD.
72. Ltr, Col. S. M. Montesinos to CG CDC, subj: Airfield, Puerto Cabezas, Nicaragua, 4 Jun 42, in AAG 601 PCD.

73. Ltr, R. J. Kennett, TACA to US Charge d'Affaires ad interim, Nicaragua, 29 May 42, in AAG 601 PCD.
74. Note #135, US Charge d'Affaires ad interim, Nicaragua to Minister for Foreign Affairs, Nicaragua, 29 May 42, in AAG 601 PCD.
75. Note #160, Minister for Foreign Affairs, Nicaragua to US Charge d'Affaires ad interim, 2 Jun 42, in AAG 601 PCD.
76. See n. 72.
77. Contract Between the Bragman's Bluff Lumber Company, Inc. and the United States Government, 31 May 42, in AAG 601 PCD.
78. Ltr, Col. S. M. Montesinos to CG CDC, subj: Airfield, Puerto Cabezas, Nicaragua, 4 Jun 42, in AAG 601 PCD; Note #687, US Charge d'Affaires ad interim, Nicaragua to Secy of State, subj: Construction of Airport at Puerto Cabezas and Barracks at Managua, 5 Jun 42, in AAG 601, PCD.
79. 1st Ind (ltr, Col. S. M. Montesinos to CG CDC, subj: Airfield Puerto Cabezas, Nicaragua, 4 Jun 42), CG CDC to TAG, 6 Jun 42, in AAG 601 PCD; 2d Ind (ltr, Col. S. M. Montesinos to CG CDC, subj: Airfield, Puerto Cabezas, Nicaragua, 4 Jun 42), TAG to CG CDC, 16 Jun 42, in AAG 601 PCD.
80. Memo for C/S, WD from General Handy, subj: United States Army Air Bases in Cuba, 7 Jul 42, in AAG 686-B, West Indies.
81. Agreement Between the Republic of Cuba and the United States of America for Military Cooperation, 19 Jun 42, US Aviation Agreements, West Indies, Cuba, in AC/AS-4, Air Installations files.
82. Memo for Gen. Staff, Oper, Div. from Hq Base Services, subj: Airport Development, 4 Jul 42, in AAG 686-B, West Indies.
83. Ltr, TAG to CG CDC, subj: Assignment of Airfields (Cuba), 12 Dec 42, in AG 580.82(12-10-42)OB-S-E.
84. Ltr, TAG to CG CDC, subj: Designation of Airport at San Antonio de los Banos, Cuba, 11 Feb 43, in AG 580.82(2-5-43)OB-I-E-M.

85. Hist. Batista Airport, Cuba, 29 Aug 42-Dec 43, in USAF HD AAFLD-Batista-HI, pp. 1-7, General History.
86. Note #35, Minister of the Netherlands to Under Secy of State, 6 Jan 42, US Aviation Agreements, in AC/AS-4 file; Note, Under Secy of State to Minister of the Netherlands, 7 Jan 42, US Aviation Agreements, in AC/AS-4 file.
87. CDC Historical Study, Construction and Real Estate Activities in the Caribbean Defense Command, 1 Nov 46, in OCMH 8-2.8, AL, Vol. II, pp. 322-26, 346-48; Hist. Hato Field, Curacao, 23 Mar 42-31 Dec 43, in USAF HD AAFLD-Hato-HI, pp. 2-3.
88. CDC Historical Study, History of the Trinidad Sector and Base Command, in OCMH 8-2.11, AB, Vol. V, pp. 347-48.
89. Ltr, TAG to CG CDC, subj: Agreement Between the United States and Netherlands Government, 23 Oct 42, AG 601.1(10-20-42)OB-S-E; ltr, CG CDC to TAG, subj: Negotiations with Dutch Authorities, 29 Oct 42, in CDC 092.2, Treaties and Agreements, US-Netherlands.
90. 1st Ind (ltr, CG CDC to TAG, subj: Negotiations with Dutch Authorities, 29 Oct 42), TAG to CG CDC, 6 Nov 42, in CDC 092.2, Treaties and Agreements, US-Netherlands; 2d Ind (ltr, TAG to CG CDC, subj: Agreement Between the United States and Netherlands Government, 23 Oct 42), CG TS & BC to CG CDC, 15 Nov 42, in AG 601.1(10-20-42)OB-S-E; 4th Ind (ltr, CG CDC to TAG, subj: Negotiations with Dutch Authorities, 29 Oct 42), i CG CDC to TAG, 26 Nov 42, in CDC 092.2, Treaties and Agreements, US-Netherlands.
91. 10th Ind (ltr, CG CDC to TAG, subj: Negotiations with Dutch Authorities, 29 Oct 42), TAG to CG CDC, 24 Feb 43, in CDC 092.2, Treaties and Agreements, US-Netherlands.
92. CDC Historical Study, Construction and Real Estate Activities in the Caribbean Defense Command, 1 Nov 46, in OCMH 8-2.8, AL, Vol. II, p. 306. It should be noted that, while no formal agreement was executed by the United States and the Netherlands government for the use of defense sites in Aruba and Curacao, an exchange of notes was effected on 14 June 1943 by the Secretary of State and the Netherlands Ambassador in Washington providing for reciprocal aid in the prosecution of war against the Axis

Powers. On 3 May 1944, a procedure for the rental of real estate in the Dutch possessions under the reciprocal aid plan was agreed upon by representatives of the Army, the Navy, and the local Dutch Colonial officials. This procedure, however, was evolved long after the acquisition of Dakota and Hato Fields and, consequently, had no effect on their original status. /See CDC Historical Study, Occupation and Use of Bases in the Netherlands Colonies - Aruba and Curacao, (undated), in OCMH 8-2.8, BO, Chap. V, pp. 78-79.]

93. CDC Historical Study, History of the Trinidad Sector and Base Command, in OCMH 8-2.11, AB, Vol. V, pp. 229-32.
94. CDC Historical Study, French-American Relations in the Caribbean Theater in World War II, in OCMH 8-2.8, BK, pp. 73-77.
95. Ibid., pp. 73-84.
96. Ltr, CG CDC to C/S US Army, subj: Airport Construction at Cayenne, French Guiana, 5 Aug 43, in CDC 686, French Guiana (Cayenne); ltr, Governor, French Guiana to Chief, US Military Mission, 2 Apr 43, in CDC 686 Airfields, Antilles Dept. (Gen).
97. Ltr, Chief, US Military Mission to Governor, French Guiana, 10 May 43, in CDC 686 Airfields, Antilles Dept. (Gen); ltr, Governor, French Guiana to Chief, Military Mission, 18 May 43, in CDC 686 Airfields, Antilles Dept. (Gen).

NOTES

Chapter V

1. Matthew Josephson, Empire of the Air (New York, 1944); PAA History Outline, History of Pan American World Airways, 1927 to 1945, pp. 1-2.
2. Josephson, Empire of the Air, pp. 51-55.
3. Ibid.
4. Ibid., pp. 200-201. In the extension of its air route southward through Central America, Pan American in 1929 appealed to both the Postmaster General and the State Department for assistance. Ownership of Compania Mexicana de Aviacion (CMA) enabled Pan American to establish its route through Mexico; however, Guatemala to the south presented formidable opposition to the plan. Through the intervention of State Department officials, Pan American was able to convert a one year provisional permit to a 20-year operating concession which was eventually approved by the Guatemalan legislature. [See Josephson, Empire of the Air, pp. 55-58.]
5. PAA History Outline, History of Pan American World Airways, 1927 to 1945, pp. 2-4; Oliver James Lissitzyn, International Air Transport and National Policy (New York, 1942), Chap. XIII, pp. 3-6-10.
6. Lissitzyn, International Air Transport and National Policy, pp. 352-53; New York Times, 18:2, 1 Jul 40, 3:1, 10 Nov 40; Life, XI, No. 16, 20 Oct 41, p. 111.
7. Incl to ltr, Chairman, CAA to Secy of War, 21 May 40, in WPD 4113-14.
8. R&R, Chief Info Div, OCAC to Exec Off, OCAC, subj: Airplane Landing Field at Port-au-Prince, Haiti, 24 Jul 39, in AAG 686-A, West Indies (DRB-AF); Memo for Chief, AC from Chief, Plans Sec, OCAC, subj: Airdrome at Port-au-Prince, Haiti, 29 Jul 39, in AAG 686-A, West Indies (DRB-AF).

9. Memo for Asst C/S WPD, OCAC from Chief of the AC, subj: Airways Facilities, Puerto Rican Route, 12 Aug 39, in AAG 686-A, West Indies (DRB-AF).
10. Report of CG GHQ Air Force to Chief of the AC, (undated), inclosed in Memo for Chief of the AC from AC/S WPD, 7 Dec 39, in WPD 4185-2.
11. Report of Lt. Col. Robert Olds to CG GHQ AF, 1 Dec 39, in WPD 4185-2.
12. WPD Note for Record on Conference of 6 Nov 39, in WPD 4185-5; Memo for C/S WD from Asst C/S WPD, subj: Airways Facilities, Puerto Rican Route, 10 Nov 39, in WPD 4185-1.
13. Ibid.; ltr, Secy of State to Secy of War, 10 Jan 40, in AG 580.8(8-12-39).
14. R&R, Chief, Plans Div, OCAC to Exec, OCAC, subj: Status of Airways Facilities in Caribbean, 13 Feb 40, in AAG 686 "A," Foreign Landmg Fields (DRB-AF).
15. Memo for Chief, Plans Div., OCAC from Lt. Col. Robert Olds, AAC, 15 May 40, in WPD 4113-13; Memo for Special Inter-Department Committee from Lt. Col. Robert Olds, AAC, subj: Airways Facilities Required by Military Aviation beyond Continental Limits of the United States, 21 May 40, in AAG 686-A West Indies (DRB-AF).
16. Ibid.; Report of sub-committee on Caribbean airways, in WPD 4113-13.
17. WPD Interoffice Memos, 4 Jun and 19 Jun 40, in WPD 4113-16, 19; WPD Memo for C/S WD, 1 Jul 40, in WPD 4113-22.
18. Ltr, CG 19th Wg, AC to TAG, subj: Airdrome and Servicing Facilities in Central and South America, 30 May 40, in AAG 600 "A," Central America (DRB-AF).
19. 4th Ind (ltr, CG 19th Wg, AC to TAG, subj: Airdrome and Servicing
20. Notes on Conference, 19 Jul 40, in WPD 4113-29.

21. WD Corps of Engineers Historical Study, Final Project Report, Airport Development Program, Vol. I (of 6 vols), pp. 2-33, in Miami Proj files (DRB-TR); Memo for Secy of War from TJAG, subj: Pan American Supplemental Contract, 8 Jan 42, in ADP Working Papers, Miami Proj files (DRB-TR); R&R, Chief, Plans Div to Chief of the AC, subj: Contract with Pan American Airways, 6 Nov 40, in AAG 686, Foreign Bases Pan American Contracts (DRB-TR); Memo for C/S WD from WPD, 1 Jul 40, in WPD 4113-22; ltr, Secy of War to Col Jouett, 16 Jul 40, in WPD 4113-22.
22. See Note 21; Memo for C/S WD from WPD, 5 Nov 40, in WPD 4113-33.
23. Memo for C/S WD from WPD, 5 Nov 40, in WPD 4113-33; 1st Ind (ltr, Chief of Engineers to Asst C/S, G-2, subj: Summary History of PAA Contracts, 13 Mar 45), Asst C/S, G-2 to Chief of Engineers, 15 Mar 45, in Final Project Report, Airport Development Program, Exhibit #1, Vol. I (of 6 vols), pp. 116-21; ltr, Juan Trippe, PAA President to Harold M. Bixby, PAA V. Pres., 4 Nov 40, in PAA-ADP files (N. Y. Office); ltr, Julius H. Amberg, Spec. Asst to Secy of War to Hugh Fulton, Chief Counsel, Truman Committee, 13 Aug 43, in Truman Committee Investigation Folder, Miami Proj files (DRB-TR); ltr, S. F. Pryon, Asst to PAA Pres. to Maj. T. Goodwyn, Deputy Contrating Officer, WD, 30 Jun 44, in ADP Project Report Working Papers, Miami Proj files (DRB-TR); Memo for Secy of War from TJAG, subj: Pan American Contract, 2 Nov 40, in ADP Working Papers, Miami Proj files (DRB-TR).
24. See Note 23. The importance of Pan American to national interests is indicated by the following statement issued in 1934 which justified the exemption of Pan American from the Postmaster General's ruling that all domestic air mail contracts be cancelled:

"It is not believed, however, that the cancellation of these contracts would be in the public interest, as such action would probably disrupt American air service to the Latin American countries and might result in great harm to our trade relations with these countries. There is no other air company in the United States that has the experience, the equipment, the necessary concessions with the Latin American countries and other facilities for service that the Pan American Airways System has for operation in this territory." [See Lissitzyn, International Air Transport and National Policy, pp. 339-41.]

25. Memo for Secy of War from TJAG, subj: Pan American Contract, 2 Nov 40, in ADP Working Papers, Miami Proj files (DRB-TR).
26. WD Corps of Engineers Historical Study, Final Project, Airport Development Program, Vol. I (of 6 vols), pp. 2-33, in Miami Proj files (DRB-TR); ltr, S. F. Pryon, Asst to PAA Pres. to Maj. T. Goodwyn, Deputy Contracting Officer, WD, 30 Jun 44, in ADP Project Report Working Papers, Miami Proj files (DRB-TR); Lissitzyn, International Air Transport and National Policy, pp. 352-53.
27. WD Corps of Engineers Historical Study, Airport Development Program, Vol. I (of 2 vols), (pages unnumbered), in Miami Proj files (DRB-TR); 1st Ind (basic ltr unavailable), Dist Engr, Miami Dist to Fiscal Director, Army Sv Forces, subj: Reply to Suspension, 1 Jul 44, in AAG 132.6 (General) SADPL. Under the terms of the Subordinate Agreement, Pan American agreed to begin improvements at the following airport sites:

| | | |
|---------------------------|------------------------------|-----------------------|
| I. <u>Brazil</u> | V. <u>Dominican Republic</u> | XI. <u>Nicaragua</u> |
| 1. Macapa | 12. Ciudad Trujillo | 20. Managua |
| 2. Belem | | |
| 3. Sao Luiz | VI. <u>Dutch Guiana</u> | XII. <u>Panama</u> |
| 4. Fortaleza | 13. Paramaribo | 21. David |
| 5. Natal | | |
| 6. Recife | VII. <u>Guatemala</u> | XIII. <u>Trinidad</u> |
| 7. Maceio | 14. Guatemala City | 22. Port of Spain* |
| 8. Salvador | | |
| | VIII. <u>Haiti</u> | |
| II. <u>British Guiana</u> | 15. Port-au-Prince | XIV. <u>Venezuela</u> |
| 9. Georgetown* | | 23. Maracaibo |
| | IX. <u>Martinique</u> | 24. La Guaira |
| III. <u>Colombia</u> | 16. Fort de France* | 25. Caripito |
| 10. Barranquilla | | |
| | X. <u>Mexico</u> | |
| IV. <u>Cuba</u> | 17. Tampico | |
| 11. Camaguey | 18. Vera Cruz | |
| | 19. Tapachula | |

* Prior permission of the Contracting Officer was necessary before construction could be begun at these sites.

27. (cont'd)
Included in the above list were nine seaplane bases. For the purposes of this study, only landplane bases will be discussed. /See War Department-Pan American Airport Development Program Consolidated Contract No. W-1097-eng-2321, 2 Nov 40, in PAA-ADP files (New York Office).]
28. See Note 27; R&R, Chief, Plans Div, OCAC to Chief of the AC, subj: Contract with Pan American Airways, 6 Nov 40, in AAG 686, Foreign Bases Pan-American Contracts (DRB-AF); 2nd Supplemental Agreement of 6 April 1942, War Department-Pan American Airport Development Program Consolidated Contract No. W-1097-eng-2321, 2 Nov 40, in PAA-ADP files (New York Office); 9th Supplemental Agreement of 29 Dec 43 in above.
29. 2d Supplemental Agreement of 6 April 1942, War Department-Pan American Airport Development Program Consolidated Contract No. W-1097-eng-2321, 2 Nov 40, in PAA-ADP files (New York Office); 6th Supplemental Agreement of 15 June 1943, in above; Part I, Art. V, VI, of above; 2d Ind (ltr, CG PCAF to TAG, 5 Feb 41), TAG to CG PCD, 28 Feb 41, in Hist PCD Air Force, 20 Nov 40 to 8 May 41, in USAF HD.
30. War Department-Pan American Airport Development Program Consolidated Contract No. W-1097-eng-2321, 2 Nov 40, in PAA-ADP files (New York Office), Part II, Art. I, V.
31. 2nd Supplemental Agreement of 6 April 1942, War Department-Pan American Airport Development Program Consolidated Contract No. W-1097-eng-2321, 2 Nov 40, in PAA-ADP files (New York Office).
32. Ibid.; Part II, Art. VIII, to above. It should be noted that the Destroyer Base Lease Agreement of 2 September 1940 gave the United States certain rights in regard to British owned bases in the Caribbean area for a 99-year period. Inasmuch as the above agreement occurred prior to the execution of the Airport Development Program Contract, the Secretary of War suggested that the 99-year tenure be adopted for the Airport Development Program bases.

33. 2nd Supplemental Agreement of 6 April 1942, War Department-Pan American Airport Development Program Consolidated Contract No. W-1097-eng-2321, 2 Nov 40, in PAA-ADP files (New York Office) 3rd Supplemental Agreement of 29 April 1942, to above; ltr, Julius H. Amberg, Special Asst to Secy of War to Hugh Fulton, Chief Counsel, Truman Committee, 13 Aug 43, Truman Committee Investigation Folder, in Miami Proj files (DRB-TR). During the preparation of the 2nd Supplemental Agreement, it was noted that the 2 November Contract had made no mention of the use of the Airport Development Program facilities by other commercial airlines and that Pan American was not required to pay for any benefits which the Company might accrue indirectly as a result of the airport improvements. Pan American officials took the position that this condition weighed heavily in the Company's acceptance of the Airport Development Program. Company officials pointed out that the subject routes had been procured and developed through private efforts of Pan American, that the existing airport facilities were adequate and needed no further developments for commercial purposes, and that Pan American should not be subjected to the loss of its exclusive Latin American rights by virtue of the Government sponsored Airport Development Program. After several weeks discussion, a compromise agreement was reached and embodied in the 2nd and 3rd Supplemental Agreements of 6 April and 29 April 1942, respectively. These agreements were signed and delivered at the same time and their provisions were made retroactive to cover all sites covered by the original Contract.
34. WD Corps of Engineers Historical Study, Final Project Report, Airport Development Program, Vol I (of 6 vols), pp. 2-33, in Miami Proj files (DRB-TR); ltr, Julius H. Amberg, Special Asst to Secy of War to Hugh Fulton, Chief Counsel, Truman Committee, 13 Aug 43, in Truman Committee Investigation Folder, in Miami Proj files (DRB-TR). A third agreement, known as Contract No. W-2168-eng-7, was entered into by the United States and Pan American on 16 April 1942 (approved 7 August 1942) which provided for the construction of military barracks at certain Airport Development Program locations. Since this Contract had no direct bearing on land negotiations, it is give no further treatment in this study.

35. Office Memo, Status of Negotiations-ADP, 27 Dec 40, Reports to Directors Folder, in PAA-ADP files (New York Office); memo for Counsel, ADP, Miami from Acting Div Mgr, Mexico City, subj: ADP Real Estate-Western Division, 9 Nov 42, in PAA-ADP files (New York Office); memo for Mgr, Western Div from Young, PAA V. Pres., subj: Airport Development Program-Western Division Government Negotiations, 3 Dec 40, in PAA-ADP files (New York Office).
36. Ibid.
37. Memo for Mgr, Western Div from Young, PAA V. Pres., subj: Airport Development Program-Western Division Government Negotiations, 3 Dec 40, in PAA-ADP files (New York Office).
38. Ibid.
39. Ibid.
40. Memo for Mgrs, Eastern and Western Divs from Young, PAA V. Pres., subj: ADP-Government Negotiations, 6 Jan 41, in PAA-ADP files (New York Office).
41. Ibid.
42. Ltr, Young, V. Pres., PAA to Mgr, Eastern Div, subj: ADP-Government-Owned Airports, 22 Jan 41, in PAA-ADP files (New York Office); memo, Young, V. Pres. PAA to Mgr Western Div, subj: ADP-Government-Owned Airports, 4 Feb 41, in PAA-ADP files (New York Office).
43. Ltr, TAG to Chief of Engrs, subj: Development of Air Fields by Pan American Airways, 6 Nov 40, in AAG 686, Foreign Bases Pan American Contracts (DRB-AF).
44. 1st Ind (basic ltr unavailable), Dist Engr, Miami Dist to Fiscal Director, Army Sv Forces, subj: Reply to Suspension, 1 July 44, in AAG 132.6 (General) SADPL. Despite the elaborate precautions taken to conceal United States interest in the Airport Development Program, Pan American registered complaints with the War Department in regard to semi-official visits by Air Corps officers to Airport Development Program sites for the purpose of obtaining first hand reports on construction progress.

44. (cont'd)
Particular concern was expressed in regard to these visits at Venezuelan airports during the summer of 1941 when considerable difficulty was being experienced in negotiations with Venezuelan officials for property rights. /See Hist Caribbean Air Force, 8 May 41-6 Mar 42, in USAF HD 462.01, pp. 235-239./
45. Ltr, Deputy Contracting Officer to Administrator of CAA, 28 Nov 40, in WD Corps of Engineers Historical Study, Final Project Report, Airport Development Program, Vol I (of 6 vols), Exhibit #8, p. 133, in Miami Proj files (DRB-TR).
46. 1st Ind (basic ltr unavailable), Dist Engr, Miami Dist to Fiscal Director, Army Sv Forces, subj: Reply to Suspension, 1 Jul 44, in AAG 132.6 (General) SADPL.
47. In addition to Colonels Hall and Dillon, the following Army officers served as Deputy Contracting Officer during the construction phase of the ADP:

| | |
|--------------------|----------------------------|
| Col W. M. Allison | 9 Mar 42-31 Mar 43 |
| Col J. E. Gill | 1 Apr 43-28 May 43 |
| Lt Col H. G. Gee | 29 May 43-16 Nov 43 |
| Maj J. Hutton | 17 Nov 43-3 Dec 43 |
| Col A. G. Viney | 4 Dec 43-20 Feb 44 |
| Maj J. Hutton | 21 Feb 44-23 Apr 44 |
| Maj J. U. Moorhead | 24 Apr 44-30 Apr 44 |
| Maj A. T. Goodwyn | 1 May 44 through 30 Jun 44 |
48. Resume of Administration as Deputy Contracting Officer of the ADP Contract, by Col. L. S. Dillon, C.E., in WD Corps of Engineers Historical Study, Final Project Report, Airport Development Program, Vol. 1 (of 6 vols), Exhibit #10, p. 138, in Miami Proj files (DRB-TR).
49. Memo for Asst C/S G-4, WDGS from Secy of the Air Staff, OCAC, subj: Development of Airfields by Pan American Airways, 23 Jul 41, in AAG 686, Foreign Bases Pan American Contracts (DRB-AF).
50. Disposition Form, AAF WPD to AAF G-4, subj: Development of Airfields by Pan American Airways, 29 Jul 41, in WPD 4113-115.
51. Ltr, Julius H. Amberg, Special Asst to Secy of War to Hugh Fulton, Chief Counsel, Truman Committee, 13 Aug 43, Truman Committee Investigation Folder, in Miami Proj files (DRB-TR).

NOTES

Chapter VI

1. WD Corps of Engineers Historical Study, Final Project Report, Airport Development Program, Vol. 1 (of 6 vols), pp. 32-33, in Miami Proj files (DRB-TR), Part IV, Exhibit #1-A, to above. The figure of \$89,000,000 pertains only to construction costs. When the maintenance costs, administrative overhead, and other fees are added, the total costs amounts to approximately \$120,000,000. In view of the inconsistencies found in the various ADP documents, it has not been possible for the writer to arrive at an exact cost figure.
2. Decree Law No. 18,768 of 28 May 1929, US Aviation Agreements, AC/AS-4 Folder, in Air Installations Div Files (Foreign Real Estate Branch, hereinafter referred to as FREB).
3. Hist Parnamirim Field and Hq 1152nd AAF BU, SAD-ATC, 18 Jul 27-3 Apr 45, Vol II, App. II, p. 45, in USAF HD BU-1152-HI.
4. Office Memo, Status of Negotiations - ADP, 27 Dec 40, Reports to Directors Folder, in PAA-ADP files (New York Office).
5. Application by Panair Do Brasil, S/A to the Brazilian Government Regarding Airport Development Program, 20 Jan 44, PAA Agreements Folder; Report on Land Acquired by Pan American Airways, Inc. and Panair Do-Brasil, S/A for the Airport Development Program in the Brazilian District, by Francisco J. Dominguez, pp. 1-2; above in PAA-ADP Files (New York Office).
6. Ltr, Cauby C. Araujo, Panair V. Pres. to General Francisco Jose Pinto, Secy Gen of the Nat Defense Council, Brazil, 4 Apr 41, PAA Agreements Folder, in PAA-ADP Files (NY Office).
7. Decree Law No. 3462 of 25 Jul 41 (effective 26 Jul 41), US Aviation Agreements, AC/AS-4 Folder, in Air Installations Div Files (FREB). The construction cost which was to be considered by Brazil as an advanced payment for the 20-year

7. (cont'd)
lease was set at \$1,350,000 (27,000 contos, with 1 conto equal to \$50 US currency) with payment of \$67,500 (1,350 contos) yearly by Panair. It was further stipulated that, in the event of occupation of the leased area by Brazilian forces during an emergency, the Government would extend the lease by a term equal to the occupation period and would pay Panair a sum equal to the cost of the lease for such a period.
8. Ltr, Edson C. Valenca, ADP Counsel, Recife, subj: Maintenance, 24 Jan 44, in PAA-ADP Files (NY Office).
9. Airport Development Program, Historical Monographs, Vol. II, (undated and unnumbered), in Miami Proj Files (DRB-TR).
10. Amapa Airport, Brazil, PAA Public Relations Dept, Dec 43, pp. 1-2, in PAA-ADP Files (NY Office).
11. Ltr, Conrad H. Kennedy, PAA Legal Counsel to Evans Young, PAA V. Pres., subj: Station Building at Amapa - ADP Contract - Decree Law No. 3462, 30 Aug 43; Chronological Record of Building, Amapa Airport, Brazil, (undated); above in PAA-ADP Files (NY Office).
12. Hist Amapa Field and 1160th AAF BU, SAD-ATC, 1 Jan 41-1 Nov 44, p. 6, in USAF HD BU-1160-HI.
13. Hist Adjacente Field and Hq 1155th AAF BU, SATD-ATC, Aug 41-31 Oct 44, pp. 2-6, 30-35, in USAF HD BU-1155-HI; ltr, Theater Engr, Hq USAFSA to CO SAW-ATC, subj: Status of Property and Rights of Way, 29 Oct 45, in Hist South Atlantic Div, ATC, 1943, Part 3, Appendix, in USAF HD 310 A; Report on Land Acquired by Pan American Airways, Inc. and Panair Do Brasil, S/A for the Airport Development Program in the Brazilian District, by Francisco J. Dominguez, pp. 6-8, in PAA-ADP Files (NY Office); Final Project Report, The Airport Development Program (MS), US Engrs, Miami Dist, July 1945, Vol XI (of 12 vols), Sec IV, in Miami Proj Files (DRB-TR). Adjacente Field was known locally as "Cocorote" Field (translated literally as "a thump on the head"). In the early days of construction, Brazilian laborers began referring to the site as "Adjacente" Field (translated literally as "adjacent") since it was located only one-half mile south of the Brazilian airfield, Alta da Balanca. By the time

13. (cont'd)
the new airport was completed and ready for operation, the new name had become generally accepted as the official one; however, the spelling had become corrupted to "Adjacento" Field. There is no such word in the Portuguese language.
14. Hist Parnamirim Field and the 1152nd AAF BU, SAD-ATC, 18 Jul 27-3 Apr 45, Vol II, App II, pp. 39-42, in USAF HD BU-1152-HI; Hist Parnamirim Field and Hq 1152nd AAF BU, SAD-ATC, Jul 45, Vol 1, pp. 3-8, in USAF HD BU-1152-HI; ltr, Theater Engr, Hq USAFSA to CO SAW-ATC, subj: Status of Property and Rights of Way, 29 Oct 45, in Hist South Atlantic Division, ATC, 1943, Part 3, Appendix, in USAF HD 310 A; Report on Land Acquired by Pan American Airways, Inc. and Panair Do Brasil, S/A for the Airport Development Program in the Brazilian District, by Francisco J. Dominguez, pp. 13-15, in PAA-ADP Files (NY Office).
15. Report on Land Acquired by Pan American Airways, Inc. and Panair Do Brasil, S/A for the Airport Development Program in the Brazilian District, by Francisco J. Dominguez, pp. 16-20, in PAA-ADP Files (NY Office).
16. Ibid.; Hist. ATC at Sao Salvador (Bahia), Brazil, 1942-1944, pp. 6-7, in USAF HD 310.2-2; ltr, Theater Engr, Hq USAFSA to CO SAW-ATC, subj: Status of Property and Rights of Way, 29 Oct 45, in Hist South Atlantic Division, ATC, 1943, Part 3, Appendix, in USAF HD 310-A.
17. See n. 16.
18. Hist Val de Cans Field and the 1153rd AAF BU, SAD-ATC, 1941-1944, in USAF HD BU-1153-HI; ltr, Theater Engr, Hq USAFSA to CO SAW-ATC, subj: Status of Property and Rights of Way, 29 Oct 45, in Hist South Atlantic Div, ATC, 1943, Part 3, Appendix, in USAF HD 310-A; Report on Land Acquired by Pan American Airways, Inc. and Panair Do Brasil, S/A for the Airport Development Program in the Brazilian District, by Francisco J. Dominguez, pp. 3-6, in PAA-ADP Files (NY Office). During the early days, the airport was called "Val de Caes" (translated literally as "Valley of the Dogs"); later, however, the accepted name of the airport became "Val de Cans" (translated literally as "Valley of the Old Men with White Beards") because the site had once been the location of a home for the aged.

19. Report on Construction Program, Miami and Recife Districts, WD Corps of Engrs, May 1944, Vol 1, Section II, pp. 230-36; Final Project Report, The Airport Development Program (MS), US Engrs, Miami Dist, Jul 45, Vol XI (of 12 vols), Section IV; above in Miami Proj Files (DRB-TR).
20. Ibid.; Hist Tirirical Field and the 1154th AAF BU, SAD-ATC, April 1941-December 1944, pp. 1-7, in USAF HD BU-1154-HI; ltr, Theater Engr, USAFSA to CO SAW-ATC, subj: Status of Property and Rights of Way, 29 Oct 45, in Hist South Atlantic Div, ATC, 1943, Part 3, Appendix, in USAF HD 310-A. Tirirical Field took its name from the type of grass grown in the vicinity of the airport.
21. Telegram No. 678, US Amb to Brazil to US State Dept, 4 Mar 42, US Aviation Agreements, Brazil, AC/AS-4 Folder, in Air Installations Div Files (FREB).
22. Hist ATC on Fernando De Noronha, 1943, pp. 3-6, in USAF HD 310.2-1; Memo for Evans Young, PAA V. Pres from Cauby C. Araujo, Panair V. Pres, subj: Fernando Noronha Airport, 28 Feb 41, in AAG 686-B, Foreign Sites (Departmental Records Branch-Air Force, hereinafter referred to as DRB-AF); Final Project Report, The Airport Development Program (MS), US Engrs, Miami Dist, July 1945, Vol X (of 12 vols), Section IV, in Miami Proj Files (DRB-TR).
23. Hist Parnamirim Field and Hq 1152nd AAF BU, SAD-ATC, 18 Jul 27-3 Apr 45, Vol 1, p. 32, in USAF HD BU-1152-HI; Hist South Atlantic Division, ATC, 1920-May 1942, Part 1, pp. 135-36, in USAF HD 310-A.
24. Memo for Asst Secy of State from Acting Chief, Div of the Amer Republics, State Dept, subj: Title to Land and Installations Used by the United States Army and Navy in Brazil, 17 Apr 43, US Aviation Agreements, Brazil, AC/AS-4 Folder, in Air Installations Div Files (FREB). The Barber Agreement derives its title from the name of one of the participants in the negotiations with the Brazilian officials, Col. Henry A. Barber, Operations Div, WDGS. Cols. Barber and Robert L. Walsh, A-2 Section, AAF, took a leading part in the discussions. It is interesting to note that,

24. (cont'd)
upon being shown a preliminary draft of the agreement, General Gomes stated that it lacked strength and should have "some teeth put in it"; consequently, provisions were incorporated in the instrument which a decade earlier would have been unthinkable.
[See Hist South Atlantic Div, ATC, 1920-May 1942, Part 1, pp. 137-40, in USAF HD 310-A; and Hist Parnamirim Field and Hq 1152nd AAF BU, SAD-ATC, 18 Jul 27-3 Apr 45, Vol 1, pp. 61-62, in USAF HD BU-1152-HI.]
25. Note, Brazilian Foreign Minister to US Amb to Brazil, 25 June 1942, US Aviation Agreements, Brazil, AC/AS-4 Folder, in Air Installations Div Files (FREB).
26. Memo for Asst Secy of State from Acting Chief, Div of Amer Republics, State Dept, subj: Title to Land and Installations Used by the United States Army and Navy in Brazil, 17 Apr 43, US Aviation Agreements, Brazil, AC/AS-4 Folder, in Air Installations Div Files (FREB).
27. Report on Land Acquired by Pan American Airways, Inc. and Panair Do Brasil, S/A for the Airport Development Program in the Brazilian District, by Francisco J. Dominguez, pp. 1-2; ltr, Conrad H. Kennedy, PAA Legal Counsel to Evans Young, PAA V. Pres., subj: Station Building at Amapa - ADP Contract - Decree Law No. 3462 - Piarco, Port of Spain, 30 Aug 43; above in PAA-ADP Files (NY Office); Hist Parnamirim Field and Hq 1152nd AAF BU, SAD-ATC, 18 Jul 27-3 Apr 45, Vol 1, pp. 39-40, in USAF HD BU-1152-HI.
28. See n. 27.
29. Unspecified Contract Between Mexico and CMA Regarding Real Estate at Chetumal, 26 April 1941, US Aviation Agreements, Mexico, AC/AS-4 Folder, in Air Installations Div Files (FREB).
30. Concession No. 36 - Contract No. 47 Between CMA and Mexico, 6 May 1935; Concession No. 38 - Contract No. 49 Between CMA and Mexico, US Aviation Agreements, Mexico, AC/AS-4 Folder, in Air Installations Div Files (FREB).
31. Contract For Use of Ground Facilities, Pan American Airways, Inc. and Cia. Mexicana de Aviacion, S.A., 1 Dec 35, US Aviation Agreements, Mexico, AC/AS-4 Folder, in Air Installations Div Files (FREB).

32. War Department-Pan American Airport Development Program Consolidated Contract No. W-1097-eng-2321, 2 Nov 40, Part IV, Exhibit 1-A, in PAA-ADP Files (NY Office).
33. Supplemental Agreement No. 4, 2 Dec 42, to War Department-Pan American Airport Development Program Consolidated Contract No. W-1097-eng-2321, 2 Nov 40, Part V, in PAA-ADP Files (NY Office).
34. War Department-Pan American Airport Development Program Contract No. W-2168-eng-8, 8 Jun 42, in PAA-ADP Files (New York Office).
35. Supplemental Agreement "A," 16 Nov 42, to War Department-Pan American Airport Development Program Contract No. W-2168-eng-8, 8 Jun 42, in PAA-ADP Files (NY Office).
36. Political Constitution of the United States of Mexico, Art 27, US Aviation Agreements, Mexico, AC/AS-4 Folder, in Air Installations Div Files (FREB).
37. Memo for ADP Counsel, Miami for Acting Western Div Mgr, Mexico City, subj: ADP Real Estate-Mexico, 9 Nov 42, in Chronological Record, Tampico, Mexico; Deed of Incorporation of Cia. de Industrias Y Terrenos, S. A., 11 Jun 42; above in PAA-ADP Files (NY Office).
38. Ltr, Airport Engr, Tampico to Mgr, CMA, subj: Land Purchase-Tampico, 3 Jan 41; ltr, Mgr, CM A to Mgr, ADP, Western Div, subj: Tampico Airport Development Land Acquisition, 10 Jan 41; ltr, Mgr, CMA to Mgr, ADP Western Div, subj: Tampico-Airport Development, 23 Jan 41; ltr, Mgr, ADP Western Div to Spec Asst to PAA Pres., subj: Airport Development Program - Tampico, 11 Feb 41; ltr, Mgr, CMA to Mgr, ADP Western Div, subj: Tampico - Land Acquisition, 19 Jun 41; above in Chronological Record, Tampico, Mexico, in PAA-ADP Files (NY Office).
39. See n. 38; ltr, Mgr, CMA to Airport Engr, Tampico, subj: Land Acquisition - Tampico, 11 Jun 41, Chronological Record, Tampico, Mexico, in PAA-ADP Files (NY Office).
40. See no. 39.

41. Chronological Record, Tampico, Mexico, in PAA-ADP Files (NY Office).
42. Chronological Record, Vera Cruz, Mexico, in PAA-ADP Files (NY Office); Chronological Reference List, Tapachula, Mexico, in PAA-ADP Files (NY Office); Telegram, O'Connor to Morrison, 11 May 42; Telegram, Barnum to Morrison, 13 May 42; above in Chronological Record, Vera Cruz, Mexico, in PAA-ADP Files (NY Office).
43. Conditional Lease of Real Estate at Tapachula, Mexico Between CMA and CIT, March 1942, Chronological Record, Vera Cruz, Mexico, in PAA-ADP Files (NY Office).
44. Ltr, R. L. Mitchell to Frank Godwin, 22 Dec 40; ltr, W. L. Morrison to E. Balluder, subj: Tejeria Airport Development Acquisition of Land, 10 Jan 41; Memo for E. Balluder from R. D. Lundell, subj: Airport Development Program - Tejeria, 14 Jan 41; above in Chronological Record, Vera Cruz, Mexico, in PAA-ADP Files (NY Office).
45. Memo for Mgr, ADP Western Div from Mgr, CMA, subj: Vera Cruz - New Airport Site, 27 Feb 41; ltr, Mgr, CMA to Mgr, ADP Western Div, subj: Vera Cruz Airport, 18 Mar 41; Conditional Lease of Real Estate at Vera Cruz, Mexico Between CMA and CIT, Mar 42; Telegram, Morrison to Balluder, 16 Apr 41; Memo for ADP Counsel from Mgr, ADP Western Div, subj: Land Titles - Las Bajadas (Vera Cruz) Airport, 10 Nov 42; above in Chronological Record, Vera Cruz, Mexico, in PAA-ADP Files (NY Office).
46. Conditional Lease of Real Estate at Vera Cruz, Mexico Between CMA and CIT, Mar 42, Chronological Record, Vera Cruz, Mexico, in PAA-ADP Files (NY Office).
47. Ibid. As a precautionary measure to forestall any future attacks on the titles to the lands comprising Las Bajadas Field, CIT petitioned the Mexican Courts for a type of judgment known as "Apeo Y Deslinde" which was a court action designed to fix the location and boundaries of a given piece of property. This procedure, in effect, amounted to a suit of trespass to try title. While it might be considered as an excessive precautionary measure, PAA considered such action prudent in view of the remote

47. (cont'd)
possibility that the airport title might be challenged in the future. /See Memo for ADP Counsel from Acting Mgr, ADP Western Div, subj: ADP Real Estate - Mexico, 9 Nov 42, Chronological Record, Tampico, Mexico, in PAA-ADP Files (NY Office)./
48. Memo for Evans Young, PAA V. Pres. from Chief Airport Engr, ADP, 24 Jan 41, Chronological Record, Chetumal, Mexico, in PAA-ADP Files (NY Office).
49. Legalized Copy of the Public Deed Representing Unspecified Contract Entered Into by the Federal Government and the Compania Mexicana de Aviacion, S. A., 26 Apr 41, US Aviation Agreements, Mexico, AC/AS-4 Folder, in Air Installations Div Files (FREB).
50. Memo for Project Mgr, ADP Western Div from Chief Airport Engr, ADP, 17 Jun 42, Chronological Record, Chetumal, Mexico, in PAA-ADP Files (NY Office); ltr, Mgr, ADP Western Div to General Mgr, ADP, 28 Dec 43, PAA Contracts with Mexico, Property of Chetumal, in PAA-ADP Files (NY Office); Report on Construction Program, Miami and Recife Districts, US Engrs, Miami Dist, May 1944, Vol 1, pp. 201-4, in Miami Proj Files (DRB-TR).
51. Memo for ADP Counsel from Acting Mgr, ADP Western Div, subj: Land Titels, Merida, 10 Nov 42, Chronological Record, Merida, Mexico, in PAA-ADP Files (NY Office); Chronological Record, Meridan, Mexico, in PAA-ADP Files (NY Office).
52. See n. 51; Memo for O'Connor from Asst Proj Mgr, ADP, subj: Merida Grid Plan, 22 Sep 42; Memo for Proj Mgr, ADP from Chief Airport Engr, ADP, subj: Acquisition of Land and Relocation of Railroad - Merida, 22 Sep 42; Memo for O'Connor from Asst Proj Mgr, ADP, subj: Land Acquisition, 1 Dec 42; Memo for Proj Mgr, ADP from Chief Airport Engr, ADP, subj: Land - Merida, 19 Dec 42; above in Chronological Record, Merida, Mexico, in PAA-ADP Files (NY Office); Report on Construction Program, Miami and Recife Districts, Corps of Engr, Miami Dist, Vol 1, pp. 201-204, May 1944, in Miami Proj Files (DRB-TR).
53. Chronological Reference List, Carmen, Mexico, in PAA-ADP Files (NY Office); WD Corps of Engineers Historical Study, Final Project Report, Airport Development Program, Vol 4 (of 12 vols), pp. 1-9, July 1945, in Miami Proj files (DRB-TR).

54. Memo for ADP Counsel from Acting Mgr, ADP Western Div., subj: ADP Real Estate - Mexico, 9 Nov 42, Chronological Record, Tampico, Mexico, in PAA-ADP Files (NY Office); Report on Construction Program, Miami and Recife Districts, Corps of Engrs, Miami Dist, May 44, Vol 1, pp. 201-204, in Miami Proj Files (DRB-TR); Chronological Reference List, Carmen, Mexico, in PAA-ADP Files (NY Office).
55. Memo for ADP Counsel for Mtr, ADP Western Div, subj: Land Titles, 24 Nov 42, Chronological Record, Cozumel, Mexico, in PAA-ADP Files (NY Office).
56. State Dept, Transit of Military Aircraft, Treaty Series #971, Washington, 1941; Memo for Mexican Military Representatives of the Mexican-US Defense Commission from US Military Representatives of the Mexican-US Defense Commission, 30 June 1941; Memo for US Military Representatives of the Mexican-US Defense Commission from Mexican Military Representatives of the Mexican-US Defense Commission, 10 Sep 41; Note #3724, Mexican Amb to US to Secy of State, 28 Feb 42; Note, Secy of State to Mexican Amb to US, 28 Feb 42; above in US Aviation Agreements, Mexico, AC/AS-4 Folder, in Air Installations Div Files (FREB).
57. Memorandum of Contract Between Secretariat of Marine, Mexico and Compania Mexicana de Aviacion, S.A., for the Use of Government-owned Property at Cozumel, Mexico, US Aviation Agreements, Mexico, AC/AS-4 Folder, in Air Installations Div Files (FREB); Memo for General Mgr, ADP from Mgr, CMA, subj: Acquisition of Land, 21 Jul 42, Chronological Record, Cozumel, Mexico, in PAA-ADP Files (NY Office).
58. Report on Construction Program, Miami and Recife Districts, Corps of Engrs, Miami Dist, May 1944, Vol 1, pp. 201-204, in Miami Proj Files (DRB-TR).
59. Memo for CG 6th Bomber Command from S-4, 6th Bomber Command, 16 Mar 42, in Hist Sixth Air Force, 6 Mar 42-27 May 43, in USAF HD 465.01; Memof for the North American Section of the Joint Mexican-US Defense Commission from Chief of the Mexican Section of the Joint Mexican-US Defense Commission, subj: Airdrome for heavy bombers in the region of Tehuantepec, 21 Apr 42, US Aviation Agreements, Mexico, AC/AS-4 Folder, in Air Installations Div Files (FREB).

60. Memo for ADP Counsel from Acting Mgr, ADP Western Div, subj: ADP Real Estate - Mexico, 9 Nov 42, Chronological Record, Tampico, Mexico, in PAA-ADP Files (NY Office); Chronological Reference List, Tehuantepec, Mexico, in PAA-ADP Files (NY Office).
61. Report on Construction Program, Miami and Recife Districts, Corps of Engrs, Miami Dist, May 1944, Vol 1, pp. 201-204, in Miami Proj Files (DRB-TR). On 8 January 1943, Col. Glantzberg notified the Chief of the Mexican Section of the Joint Mexican-US Defense Commission that an attack by air or sea-borne force on the Panama Canal was not considered too remote to justify the completion and use of the Tehuantepec air base as originally planned. Consequently, the United States desired to complete the installations under construction at the base as soon as possible with as little additional expense as possible. It was planned that Tehuantepec Field should be used merely as a staging base, rather than a large bomber installation as previously contemplated. [See Memo for the Mexican Section of the Joint Mexican-US Defense Commission from US Section of the Joint Mexican-US Defense Commission, subj: Tehuantepec Air Base, 8 Jan 43, Tab "A" to Report on Special Mission to Mexico Representing Joint Mexican-US Defense Commission, by Col. Frederic E. Glantzberg, Jan 1943, US Aviation Agreements, Mexico, AC/AS-4 Folder, in Air Installations Div Files (FREB).]
62. Chronological Reference List, Tehuantepec, Mexico, in PAA-ADP Files (NY Office); Report on Special Mission to Mexico Representing Joint Mexican-US Defense Commission, by Col. Frederic E. Glantzberg, January 1943, US Aviation Agreements, Mexico, AC/AS-4 Folder, in Air Installations Div Files (FREB).
63. See n. 62.
64. Report on Second Conference With General Lazaro Cardenas, 18 Jan 43, by Col F. E. Glantzberg, Tab "G" to Report on Special Mission to Mexico Representing Joint Mexican-US Defense Commission, by Col. Frederic E. Glantzberg, Jan 1943, US Aviation Agreements, Mexico, AC/AS-4 Folder, in Air Installations Div Files (FREB).
65. Contract Between PAA and the Republic of Cuba Regarding an Aerial Transportation Service, 1 Mar 41, in PAA-ADP Files (NY Office).

66. Report on Construction Program, Miami and Recife Districts, Corps of Engrs, Miami Dist, May 1944, Vol 1, p. 210, in Miami Proj Files (DRB-TR).
67. Ltr, Evans Young, PAA V. Pres to Mgr, ADP Eastern Div, 29 Jul 40, Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office).
68. Ltr, Mario Lazo to Mgr, ADP Eastern Div, 28 Dec 40, Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office).
69. Ltr, Evans Young, PAA V. Pres to Mgr, ADP Eastern Div, 6 Dec 40, Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office).
70. Ltr, Mario Lazo to Evans Young, PAA V. Pres, subj: Airport Improvement Program, 13 Dec 40, Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office).
71. Ibid.
72. Ibid.
73. Ibid.
74. Ltr, Evans Young, PAA V. Pres to Mgr, ADP Eastern Div, subj: Cuba - Draft of Presidential Decree, 18 Dec 40, Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office).
75. Ibid.
76. Ltr, Mario Lazo to Mgr, ADP Eastern Div, 27 Dec 40; ltr, Mario Lazo to Mgr, ADP Eastern Div, 28 Dec 40; above in Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office).
77. Telegram, Young to Snyder, 7 Jan 41; ltr, Mgr, ADP Eastern Div to Evans Young, PAA V. Pres, 9 Jan 41; ltr, Mario Lazo to Mgr, ADP Eastern Div, 15 Jan 41; ltr, Mario Lazo to Mgr, ADP Eastern Div, 21 Jan 41; above in Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office).

78. Ltr, Robert Cook, PAA Sp. Rep. to Mgr, ADP Eastern Div, subj: ADP - Cuba - Visit - January 22-23, 24 Jan 1941, Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office).
79. Ltr, Evans Young, PAA V. Pres. to Mgr, ADP Eastern Div, 29 Jan 1941; Telegram, Lazo to Snyder, 21 Feb 41; ltr, Mgr, ADP Eastern Div to Mario Lazo, 24 Feb 41; above in Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office).
80. Ltr, Mario Lazo to Evans Young, PAA V. Pres, 18 Mar 41, Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office).
81. Ltr, Mario Lazo to Evans Young, PAA V. Pres, 9 May 41, Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office); ltr, Mario Lazo to Robert Cook, PAA Sp. Rep., 27 May 42, Chronological Record, San Julian, Cuba, in PAA-ADP Files (NY Office).
82. Ltr, Robert Cook, PAA Sp. Rep. to Mgr, ADP Eastern Div, 24 Jan 41, Chronological Record, Camaguey, Cuba, in PAA-ADP Files (NY Office); Agramonte Field, Camaguey, Cuba, PAA Public Relations Dept, in PAA-ADP Files (NY Office).
83. See n. 82. Two months after the purchase was consummated, an individual claimed ownership and demanded an exorbitant price for the land. Although he threatened to enjoin the construction work then in progress by judicial decree, there is no evidence that he was successful in substantiating his claim.
84. Agramonte Field, Camaguey, Cuba, PAA Public Relations Dept, in PAA-ADP Files (NY Office).
85. Ibid.
86. Ibid.
87. Report on Construction Program, Miami and Recife Districts, Corps of Engrs, Miami Dist, May 1944, Vol 1, p. 210, in Miami Proj Files (DRB-TR); Agramonte Field, Camaguey, Cuba, PAA Public Relations Dept, in PAA-ADP Files (NY Office).

88. See n. 87.
89. Memo for Gen Mgr, ADP from Proj Mgr, ADP, subj: Isabel Rubio Airport, San Julian, Cuba, 14 May 42, Chronological Record, San Julian, Cuba, in PAA-ADP Files (NY Office).
90. Telegram, Snyder to Young, 1 May 42; ltr, Mario Lazo to Robert Cook, 27 May 42; above in Chronological Record, San Julian, Cuba, in PAA-ADP Files (NY Office).
91. Memo for Gen Mgr, ADP from Const Engr, ADP, subj: San Julian Airport, Cuba, 11 May 42, Chronological Record, San Julian, Cuba, in PAA-ADP Files (NY Office).
92. Ltr, US Amb to Cuba to Minister of State, Cuba, 16 Jun 42, in AAG 000-800, Cuba and Isle of Pines (DRB-AF).
93. Resolution No. 111, Minister of National Defense, Cuba, 25 Jun 42, incl to ltr, Mario Lazo to Robert Morales, 7 Jul 42, Chronological Record, San Julian, Cuba, in PAA-ADP files (NY Office).
94. Telegram, Lazo to Barnum, 24 Sep 42; Telegram, Barnum to Lazo, 25 Sep 42; ltr, Robert C. Morales to Resident Engr, ADP, 1 Oct 42; above in Chronological Record, San Julian, Cuba, in PAA-ADP Files (NY Office).
95. Memo for ADP from Exec. Engr, ADP, subj: Directive - dated October 5, 1942, Alternate Airport Site - San Julian, Cuba, 5 Oct 42, Chronological Record, San Julian, Cuba, in PAA-ADP Files (NY Office).
96. Memo for Proj Mgr, ADP from L. P. O'Connor, 12 Oct 42, Chronological Record, San Julian, Cuba, in PAA-ADP Files (NY Office).
97. Ltr, Mario Lazo to Robert Cummings, Jr., 23 Oct 42; ltr, Mario Lazo to Robert Cummings, Jr., 26 Oct 42; above in Chronological Record, San Julian, Cuba, in PAA-ADP Files (NY Office).
98. Agreement for Military and Naval Cooperation Between the Republic of Cuba and the United States of America, 7 Sep 42, US Aviation Agreements, Cuba, AC/AS-4 Folder, in Air Installations Div Files (FREB).

99. Note No. 394, US Amb to Cuba to Minister of State, Cuba, 11 Jul 42, US Aviation Agreements, Cuba, AC/AS-4 Folder, in Air Installations Div Files (FREB).
100. Note, Minister of State, Cuba to US Amb to Cuba, 17 Jul 42; Note No. 414, US Amb to Cuba to Minister of State, Cuba, 20 Jul 42; Note No. 482, US Amb to Cuba to Secy of State, subj: Proposed Airport development at San Julian: transmitting Notes exchanged which constitute the Agreement, 20 July 1942; above in US Aviation Agreements, Cuba, AC/AS-4 Folder, in Air Installations Div Files (FREB).
101. Note, Minister of State, Cuba to US Amb to Cuba, 21 Oct 42, in AAG 686, Airfields, Cuba, 1944.
102. Supplemental Agreement "A," 16 Nov 42, to War Department-Pan American Airport Development Program Contract No. W-2168-eng-8, 8 Jun 42, in PAA-ADP Files (NY Office).
103. Note No. 1390, US Amb to Cuba to Secy of State, subj: Airport Project at San Julian, 29 Oct 42, in AAG 686, Airfields, Cuba, 1944; Report on Construction Program, Miami and Recife Districts, Corps of Engrs, Miami Dist, Vol 1, p. 210, May 1944, in Miami Proj Files (DRB-TR).

NOTES

Chapter VII

1. Bolivian Operating Permit, Extract from Decree of 8 April 1937, US Aviation Agreements, Bolivia, AC/AS-4 Folder, in Air Installations Div Files (FREB).
2. Memo for C/S, US Army from WPD, WDGS, 16 Apr 41; Memo for Secy of War from C/S, US Army, 18 Apr 41; Memo for AC/S, G-4 from WPD, WDGS, 23 Jul 41; DF, Secy of the Air Staff to Secy of the General Staff, 25 Jul 41; above in AAG 686 "A," Air Base, South America (DRB-AF).
3. Note No. 1896, Charge d'Affaires ad interim to Bolivia to Secy of State, subj: Proposed Construction of Airports at Cochabamba and Santa Cruz, 26 Mar 42, US Aviation Agreements, Bolivia, AC/AS-4 Folder, in Air Installations Div Files (FREB).
4. Panagra Agreement, 6 Apr 42, Schedule 5, Part III, in War Department-Pan American Airport Development Program Consolidated Contract No. W-1097-eng-2321, in PAA-ADP Files (NY Office).
5. Note No. 1087, US Amb to Bolivia to Secy of State, subj: Construction of Airport in Cochabamba, 7 Jan 43, US Aviation Agreements, Bolivia, AC/AS-4 Folder, in Air Installations Div Files (FREB).
6. Ibid; Contract No. 78 Between the Government of Bolivia and Pan American-Grace Airways, Inc., 5 May 1943, US Aviation Agreements, Bolivia, AC/AS-4 Folder, in Air Installations Div Files (FREB).
7. Report on Construction Program, Miami, and Recife Districts, US Engrs, Miami Dist, May 1944, Vol 1, p. 222, in Miami Proj Files (DRB-TR).
8. Contract Between Aerovias Nacionales de Colombia, S.A., and the Republic of Colombia Regarding the Improvement of Soledad Airport, 6 May 1941 (effective 4 July 1941); Executive Resolution Number 218 of 1941, Executive Dept and Presidential Cabinet of the Republic of Colombia, 14 July 1941; above in US Aviation Agreements, Colombia, AC/AS-4 Folder, in Air Installations Div Files (FREB).

9. Contract Between Aerovias Nacionales de Colombia, S.A., and Pan American Airways, Inc. Regarding the Improvement of Soledad Airport, 30 Aug 41, US Aviation Agreements, Colombia, AC/AS-4 Folder, in Air Installations Div Files (FREB).
10. Report on Construction Program, Miami and Recife Districts, Corps of Engrs, Miami Dist, May 1944, Vol 1, p. 216, in Miami Proj Files (DRB-TR); Airport Property, (undated), US Aviation Agreements, Colombia, AC/AS-4 Folder, in Air Installations Div Files (FREB).
11. Colombia Air Base Agreement, 1 May 43, US Aviation Agreements, Colombia, AC/AS-4 Folder, in Air Installations Div Files (FREB).
12. Contract Between the Government of the Dominican Republic and Pan American Airways, Inc. for the Establishment of an Aerial Transportation Service, 16 Apr 29, US Aviation Agreements, Dominican Republic, AC/AS-4 Folder, in Air Installations Div Files (FREB).
13. Ibid.
14. Contract Between the Government of the Dominican Republic and Pan American Airways, Inc. for the Use of Miraflores Airport, 4 Jan 40, US Aviation Agreements, Dominican Republic, AC/AS-4 Folder, in Air Installations Div Files (FREB).
15. Contract Between the Government of the Dominican Republic and Pan American Airways, Inc. Regarding the Improvement of Miraflores Airport, 9 May 41, US Aviation Agreements, Dominican Republic, AC/AS-4 Folder, in Air Installations Div Files (FREB).
16. Report on Construction Program, Miami and Recife Districts, Corps of Engrs, Miami Dist, May 1944, Vol 1, p. 214, in Miami Proj Files (DRB-TR). For a period of one year from the summer of 1941 to the summer of 1942, the War Department debated the feasibility of developing the Miraflores site in view of obstructions along the landing approaches. It appeared that Consuelo Airport, located 8 miles north of San Pedro De Macoris, was a more suitable site for the ADP construction. Subsequent investigations, however, revealed that the prices demanded for the additional land required to develop and improve Consuelo

16. (cont'd)
Airport were unreasonable; consequently, the alternate location was dropped from ADP considerations. /See ltr, Exec, Hq 13th Comp Wg, AC to OCAC, subj: Landing Fields in the Dominican Republic, 24 May 41, in AAG 686 "B," West Indies; and Summary of Land Transactions at Miraflores Airport, Ciudad Trujillo, Dominican Republic, in PAA-ADP Files (NY Office)./
17. Contract Between the Government of Dutch Guiana and PAA Regarding the Continuance of an Aerial Transportation Service, 30 Nov 35, US Aviation Agreements, Dutch Guiana, AC/AS-4 Folder, in Air Installations Div Files (FREB).
18. Memo for Mgr, ADP Eastern Div from Evans E. Young, PAA V. Pres, 9 Dec 40; Memo for Evans E. Young, PAA V. Pres from Mgr, ADP Eastern Div, 16 Dec 40; Memo for Mgr, ADP Eastern Div from Evans E. Young, PAA V. Pres, 19 Dec 40; above in Chronoligical Records, Paramaribo, Dutch Guiana, in PAA-ADP Files (NY Office).
19. Memo for Mgr, ADP Eastern Div from Airport Mgr, Paramaribo, 21 Dec 40, Chronological Record, Paramaribo, Dutch Guiana, in PAA-ADP Files (NY Office).
20. Memo for Mgr, ADP Eastern Div from Evans E. Young, PAA V. Pres, 9 Dec 40; Radio (unnumbered), Robert Cook, PAA Sp. Rep. to Evans E. Young, PAA V. Pres, 31 Dec 40; above in Chronological Record, Paramaribo, Dutch Guiana, in PAA-ADP Files (NY Office).
21. Radio (unnumbered), Robert Cook, PAA Sp. Rep to Mgr, ADP Eastern Div, 3 Jan 41, Chronological Record, Paramaribo, Dutch Guiana, in PAA-ADP Files (NY Office).
22. Telegram, Young to Snyder, 3 Jan 41, Chronological Record, Paramaribo, Dutch Guiana, in PAA-ADP Files (NY Office).
23. Radio (unnumbered), Cook to Young, 17 Jan 41; Telegram, Cook to Young, 28 Jan 41; above, in Chronological Record, Paramaribo, Dutch Guiana, in PAA-ADP Files (NY Office).
24. Airport Development Program, US Engrs, Miami Dist, Vol 2, in Miami Proj Files (DRB-TR).

25. Memo for Robert Cook, PAA Sp. Rep from Airport Mgr, Paramaribo, 16 Feb 41, Chronological Record, Paramaribo, Dutch Guiana, in PAA-ADP Files (NY Office).
26. Note No. 994, Governor of Surinam to F.H.R. Lim Apo, 26 Mar 41; Articles of Incorporation of Surinam Airport Development Company, Limited, 29 Mar 41 (effective 30 Apr 41); above in US Aviation Agreements, Dutch Guiana, AC/AS-4 Folder, in Air Installations Div Files (FREB).
27. Concession to Surinam Airport Development Company for Construction of Zandery Airport, 26 Jun 41, US Aviation Agreements, Dutch Guiana, AC/AS-4 Folder, in Air Installations Div Files (FREB).
28. Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
29. Memo for Evans E. Young, PAA V. Pres from Mgr, ADP Eastern Div, 11 Feb 41, Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
30. Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office); Articles of Association of "Society in Sole Charge of the Airport at Le Gallion, A. Quintrie-Lamothe and Co.," 9 Apr 42, US Aviation Agreements, French Guiana, AC/AS-4 Folder, in Air Installations Div Files (FREB).
31. Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
32. Memo, Robert Cook, PAA Sp. Rep to Evans Young, PAA V. Pres, 18 Jul 41, Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
33. Ltr, Harvey Blalock, ADP Const Engr to Mgr, ADP Eastern Div, 26 Aug 41, Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
34. Ltr, Alexandre Quintrie-Lamothe, Airport Mgr, Cayenne to Admiral Robert, High Commissioner of the French Government to the Antilles and French Guiana, 8 Aug 41; Memo for Mgr, ADP Eastern Div from Robert Cook, PAA Sp. Rep, 27 Aug 41; above in Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).

35. Ltr, R. Chot, Governor of French Guiana to Alexandre Quintrie-Lamothe, Airport Mgr, Cayenne, 16 Aug 41, Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
36. Ltr, Mgr, ADP Eastern Div to Evans Young, PAA V. Pres, 28 Aug 41, Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office); Summary of PAA Negotiations Leading to Construction of Le Gallion, US Aviation Agreements, French Guiana, AC/AS-4 Folder, in Air Installations Div Files (FREB).
37. Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
38. Report on Visit to French Guiana, October 25-November 2, 1941, by Robert Cook, PAA Sp. Rep, 4 Nov 41, Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
39. Telegram, Young to Snyder, 14 Nov 41, Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
40. Ltr, Harvey Blalock, Construction Engr, ADP to Gen Mgr, ADP, 5 Feb 42; ltr, Gen Mgr, ADP to Mgr, ADP Eastern Div, 7 Feb 42; above in Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
41. Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
42. Report on Visit to French Guiana, February 28-March 8, 1942, by Robert Cook, PAA Sp. Rep, 19 Mar 42, Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
43. Agreement Relating to the Construction and Operation of a Civil Airport at the Place Called "Le Gallion" (French Guiana), 21 Mar 42, US Aviation Agreements, French Guiana, AC/AS-4 Folder, in Air Installations Div Files (FREB).

44. Radio (unnumbered), Cook to Young, 7 May 41; Radio (unnumbered), Young to Cook, 7 May 41; Report on Visit to French Guiana, October 25-November 2, 1941, by Robert Cook PAA Sp. Rep, 4 Nov 41; Memo for Robert Cook from Harvey Blalock, 13 Feb 42; Memo for Julien Saine-Claire from Robert Cook, 8 Jun 42; above in Chronological Record of Construction, Cayenne, French Guiana, in PAA-ADP Files (NY Office).
45. Articles of Association of "Society in Sole Charge of the Airport at Le Gallion, A. Quintrie-Lamothe and Co.," 9 Apr 42, US Aviation Agreements, French Guiana, AC/AS-4 Folder, in Air Installations Div Files (FREB).
46. Contract Between the "Society" and Harvey Blalock, ADP Engr, for the Construction of Le Gallion Airport, 15 Apr 42; Waiver by Mr. Harvey Blalock, 18 Apr 42; above in US Aviation Agreements, French Guiana, AC/AS-4 Folder, in Air Installations Div Files (FREB).
47. Waiver by "Society in Sole Charge of the Airport at Le Gallion, A. Quintrie-Lamothe and Co.," 18 Apr 42, US Aviation Agreements, French Guiana, AC/AS-4 Folder, in Air Installations Div Files (FREB).
48. Deposition by Robert Cook, PAA Sp. Rep, in Cayenne - Background of Requests to Renegotiate Ostrum Contract Folder, in PAA-ADP Files (NY Office).
49. Contract Between Guatemala and PAA Regarding the Establishment of International Air Service in Guatemala, 4 Dec 29, US Aviation Agreements, Guatemala, AC/AS-4 Folder, in Air Installations Div Files (FREB). Through the assistance of State Department representatives, PAA earlier had received a provisional permit from the Guatemalan Government on 7 September 1929 to perform air transportation services in the Republic for a period of one year. [See Matthew Josephson, Empire of the Air (New York, 1944), pp. 55-58.]
50. La Aurora Field, Guatemala City, Guatemala, PAA Public Relations Dept, Dec 43, pp. 2-4, in PAA-ADP Files (NY Office).
51. Ltr, CG PCD AF to TAG, subj: Airdrome and Servicing Facilities in Central and South America, 8 Feb 41, in AAG 686 "C," Air Bases (DRB-AF).

52. 6th Ind (ltr, CG PCDAF to TAG, subj: Airdrome and Servicing Facilities in Central and South America, 8 Feb 41) TAG to CG PCD, 9 May 41, in AAG 686 "C," Air Bases (DRB-AF).
53. Note No. 17579, Minister for Foreign Affairs, Guatemala to US Charge d'Affaires ad interim to Guatemala, 16 Dec 41, in CDC 092.2, Treaties and Agreements, US-Guatemala.
54. CDC Historical Study, Construction and Real Estate Activities in the Caribbean Defense Command, 1 Nov 46, Vol 2, Chap 5, p. 525, in OCMH 8-2.8, AL.
55. Hist Sixth AF, 6 Mar 42-27 May 43, pp. 197-204, in USAF HD 465.01.
56. Final Project Report of the ADP, (MS), WD Corps of Engrs, Miami Dist, July 1945, pp. XVII-1, 3, in Miami Proj Files (DRB-TR); Memo for Chief, Military Const Div, Army Sv Forces from Lt. Col. Blake A. Williamson, Legal Officer, Miami Dist, subj: Decree Laws, Operating and Construction Agreements, 14 Sep 45, in AAG 010.9 SADPL.
57. La Aurora Field, Guatemala City, Guatemala, Public Relations Dept, PAA, Dec 43, pp. 2-4, in PAA-ADP Files (NY Office); Hist of the CAC, 1 Jul-31 Dec 49, App. C, VI, in USAF HD.
58. Agreement Between the Governments of the United States of America and of the Republic of Guatemala on the Principles Applying to Mutual Aid in the Prosecution of the War Against Agression, 16 Nov 42; note No. 337, US Minister to Guatemala to Minister for Foreign Affairs, Guatemala, 16 Nov 42; Memorandum of Agreement, 16 Nov 42 (incl to above); above in US Aviation Agreements, Guatemala, AC/AS-4 Folder, in Air Installations Div Files (FREB).
59. Contract Between the Republic of Haiti and Pan American Airways, Inc. Regarding the Establishment of an Aerial Transportation Service, 22 Feb 29, US Aviation Agreements, Haiti, AC/AS-4 Folder, in Air Installations Div Files (FREB).
60. Ltr, George N. Leger to S. M. Filipovich, 19 Jan 43, US Aviation Agreements, Haiti, AC/AS-4 Folder, in Air Installations Div Files (FREB).

61. Contract Between Antoine Audain and S. M. Filipovich, Representing Pan American Airways, Inc., 30 Dec 40, US Aviation Agreements, Haiti, AC/AS-4 Folder, in Air Installations Div Files (FREB).
62. Ltr, George N. Leger to S. M. Filipovich, 19 Jan 43, US Aviation Agreements, Haiti, AC/AS-4 Folder, in Air Installations Div Files (FREB).
63. Memo for Brig Gen John S. Bragdon, Office Chief of Engrs from Lt Col Blake A. Williamson, Legal Officer, subj: Decree Laws, Operating and Construction Agreements, 14 Sep 45, in SADPL 010.9.
64. Contract Between PAA and Nicaragua Regarding the Establishment of an Aerial Transportation Service in Nicaragua, 18 Mar 29, US Aviation Agreements, Nicaragua, AC/AS-4 Folder, in Air Installations Div Files (FREB).
65. Contract Between PAA and Nicaragua Regarding the Construction of PAA Passenger Station at Managua, Nicaragua, 7 May 35, US Aviation Agreements, Nicaragua, AC/AS-4 Folder, in Air Installations Div Files (FREB).
66. Ltr, President of Nicaragua to US Minister to Nicaragua, 30 Aug 40, in AAG 600 "A," Central America (DRB-AF); 1st Ind (ltr, President of Nicaragua to US Minister to Nicaragua, 30 Aug 40) OCAC to WPD, 11 Oct 40, in AAG 600 "A," Central America (DRB-AF).
67. Report of Airport Survey at Managua, Nicaragua, by Capt. Charles F. Born for CG PCDAF, 3 Feb 41, in Hist PCD Air Force, 20 Nov 40-8 May 41, in USAF HD 461.01.
68. Ibid.
69. Status of Negotiations - ADP, J.H. Smith, Jr., 27 Dec 40, Reports to Directors Folder, in PAA-ADP Files (NY Office).
70. Chronological Reference List, Managua, Nicaragua, in PAA-ADP Files (NY Office).
71. Ltr, Exec Asst to Deputy Contracting Officer to Col. Robert Olds, OCAC, subj: Managua, Nicaragua, 26 Mar 41; ltr, Col. Robert Olds, OCAC to Exec Asst to Deputy Contracting Officer, subj: Managua, Nicaragua, 27 Mar 41; above in AAG 600 "A," Central America (DRB-AF).

72. Report on Construction Program, Miami and Recife Districts, Corps of Engrs, Miami Dist, May 44, Vol 1, Section II, p. 208, in Miami Proj Files (DRB-TR).
73. Chronological Reference List, Managua, Nicaragua, in PAA-ADP Files (NY Office).
74. Airport Development Program, US Engrs, Miami Dist, Vol 2, (undated), in Miami Proj Files (DRB-TR).
75. Chronological Reference List, Managua, Nicaragua, in PAA-ADP Files (NY Office); Contract Between the Government of Nicaragua and the Pan American Airways, Inc., 22 Jan 42 (effective 28 Jan 42), US Aviation Agreements, Nicaragua, AC/AS-4 Folder, in Air Installations Div Files (FREB).
76. Note No. 135, US Charge d'Affaires ad interim to Nicaragua to Minister for Foreign Affairs, Nicaragua, 29 May 42; Note No. 160, Minister for Foreign Affairs, Nicaragua to US Charge d'Affaires ad interim to Nicaragua, 2 Jun 42; above in US Aviation Agreements, Nicaragua, AC/AS-4 Folder, in Air Installations Div Files (FREB).
77. Contract Between Pan American Airways, Inc. and the Republic of Paraguay for the Establishment of an Aerial Transportation Service, 21 Jun 37 (effective 28 Dec 37), US Aviation Agreements, Paraguay, AC/AS-4 Folder, in Air Installations Div Files (FREB).
78. Memo for Under Secy of State from C/S, US Army, 1 Feb 41, in AAG 686 "A," Air Bases, South America (DRB-AF).
79. Ibid.
80. Memo for C/AC from WPD, WDGS, 10 Feb 41, in AAG 686 "A," Air Bases, South America (DRB-AF).
81. Memo for AC/S WPD from Plans Div, AC, 13 Feb 41, in AAG 686 "A," Air Bases, South America (DRB-AF).
82. Panagra Agreement, 6 Apr 42, Schedule 5, Part III, in War Department-Pan American Airport Development Program Consolidated Contract No. W-1097-eng-2321, in PAA-ADP Files (NY Office).

83. Note No. 125, Wesley Frost, US Embassy, Paraguay to Secy of State, subj: Transmitting copy and translation of projected decree approved by Paraguayan Government to grant permission for the improvement and expansion of the Pan American Airways field at Asuncion, 30 May 42, US Aviation Agreements, Paraguay, AC/AS-4 Folder, in Air Installations Div Files (FREB).
84. Telegram No. 202, Secy of State to American Embassy, Paraguay, 20 Jun 42, US Aviation Agreements, Paraguay, AC/AS-4 Folder, in Air Installations Div Files (FREB).
85. Decree Law No. 13, 365 of 2 Jul 42, US Aviation Agreements, Paraguay, AC/AS-4 Folder, in Air Installations Div Files (FREB).
86. Airport Development Program, US Engrs, Miami Dist, Vol 2, (undated and unnumbered); Report on Construction Program, Miami and Recife Districts, US Engrs, Miami Dist, May 1944, Vol 1, p. 238; Report on Land Acquired by Pan American Airways, Inc. and Panair Do Brasil S/A for the Airport Development Program in the Brazilian District, by Francisco J. Dominguez, pp. 22-23, Land Acquisition Report on Lands and Maps-PAA; above in Miami Proj Files (DRB-TR); Decree Law No. 1996, 11 Jan 44, US Aviation Agreements, Paraguay, AC/AS-4 Folder, in Air Installations Div Files (FREB).
87. Report on Construction Program, Miami and Recife Districts, Corps of Engrs, Miami Dist, May 1944, Vol 1, pp. 189-90; WD Corps of Engineers Historical Study, Final Project Report, The Airport Development Program, Corps of Engrs, Miami Dist, Jul 45, Vol 12 (of 12 vols); above in Miami Proj Files (DRB-TR).
88. Contract Between the US of Venezuela and Pan American Airways, Inc. for the Establishment of an Air Mail Service, 11 Apr 30 (effective 13 Jun 30), US Aviation Agreements, Venezuela, AC/AS-4 Folder, in Air Installations Div Files (FREB).
89. Ibid., supplementary note at the end of the contract.
90. Ltr, S. F. Pryon, Jr., PAA V. Pres to Lt. Col. W. M. Allison, US Engrs Office, Miami Dist, 14 Apr 42, ADP Project Working Papers, in Miami Proj Files (DRB-TR).
91. Memo for Sp. Rep, ADP Western Div from Mgr, ADP Western Div, subj: Airport Development Program, 31 Mar 41, Chronological Record, Tampico, Mexico, in PAA-ADP Files (NY Office).

92. Ltr, S. F. Pryor, Jr., PAA V. Pres to Lt. Col. W. M. Allison, US Engrs Office, Miami Dist, 14 Apr 42, ADP Project Working Papers, in Miami Proj Files (DRB-TR); Report on Construction Program, Miami and Recife Districts, US Engrs, Miami Dist, May 1944, Vol 1, p. 218, in Miami Proj Files (DRB-TR).
93. See n. 92.
94. See n. 92.
95. See n. 92; Airport Development Program, US Engrs, Miami Dist, (Undated), Vol 2 (unnumbered), in Miami Proj Files (DRB-TR).
96. Report on Construction Program, Miami and Recife Districts, US Corps of Engrs, Miami Dist, May 1944, Vol 1, p. 218, in Miami Proj Files (DRB-TR).
97. Ltr, S. F. Pryor, Jr., PAA V. Pres to Lt. Col. W. M. Allison, US Engr Office, Miami Dist, 14 Apr 1942, ADP Project Working Papers, in Miami Proj Files (DRB-TR).
98. Ltr, Deputy Contracting Officer to AC Contact Officer, OCAC, subj: Possible Substitution of Maturin for Caripito, Venezuela, 14 Nov 41, ADP Project Working Papers, in Miami Proj Files (DRB-TR).
99. Ibid.
100. Ltr, S. F. Pryor, Jr., PAA V. Pres to Lt. Col. W. M. Allison, US Engrs Office, Miami Dist, 14 Apr 42, ADP Project Working Papers, in Miami Proj Files (DRB-TR).
101. Report on Construction Program, Miami and Recife Districts, Corps of Engrs, Miami Dist, May 1944, Vol 1, p. 218, in Miami Proj Files (DRB-TR).
102. Ltr, PAA Sp. Rep to Venezuela to Mgr, ADP Western Div, subj: Venezuela - Contract, 22 Apr 42, Venezuelan Contract Folder, in PAA-ADP Files (NY Office). During the summer of 1941, PAA officials observed that negotiations with the Venezuelan Government were being adversely affected by semi-official visits on the part of Air Corps officers to the ADP sites without previous clearance by PAA representatives. Since the actual sponsor

102. (cont'd)
of the ADP had not been disclosed to the Venezuelan officials,
the Company officials were apprehensive lest these visits embarrass
PAA's negotiations. Shortly thereafter, the Deputy Contracting
Officer took official action to have such impromptu visits controlled.
/See ltr, Deputy Contracting Officer to Chief of Engrs, subj:
Inspection of Airfield at Maracaibo, 16 Jul 41, and incl to same, in
Hist CAF, 8 May 41-6 Mar 42, Vol 2, in USAF HD 462.01./
103. Venezuelan Airport Contract, 26 Aug 42, US Aviation Agreements,
Venezuela, AC/AS-4 Folder, in Air Installations Div Files (FREB).

NOTES

Chapter VIII

1. Samuel I. Rosenman, The Public Papers and Addresses of Franklin D. Roosevelt (New York, 1941), pp. 392-94.
2. Ibid.
3. Ibid.
4. Ibid., pp. 391-92.
5. Cordell Hull, The Memoirs of Cordell Hull (New York, 1948), I, p. 831; Henry L. Stimson, On Active Service in Peace and War (New York, 1947), pp. 356-58.
6. See n. 5; William L. Langer and S. Everett Gleason, The Challenge to Isolation, 1937-1940 (New York, 1952), pp. 742-76.
7. Mark Skinner Watson, Chief of Staff: Prewar Plans and Preparations, U.S. Army in World War II (Washington, 1950), p. 478.
8. History of Negotiations Concerning the Army Bases in Jamaica, B. W. I., Antilles Dept, (undated), Vol I, p. 9, in AG Publications and Records Center, Hq USAR CARIB (hereinafter referred to as AGP&RC).
9. Cordell Hull, The Memoirs of Cordell Hull, I, pp. 841-42.
10. History of Negotiations Concerning the Army Bases in Jamaica, B. W. I., Antilles Dept, (Undated), Vol I, p. 9, in AGP&RC.
11. Ltr, Neville M. Butler, British Embassy to James C. Dunn, State Dept Advisor on Political Relations, 10 Feb 41, in History of Negotiations Concerning the Army Bases in Jamaica, B. W. I., Antilles Dept, (undated), Vol I, Exhibit #6B, in AGP&RC. The Secretary of State had submitted the seven points to the British Embassy on 13 December 1940 as a basis for determining the true value of private property required for bases in the colonies.

12. Ltr, James C. Dunn, State Dept Advisor on Political Relations to Neville M. Butler, British Embassy, 14 Feb 41, in History of Negotiations Concerning the Army Bases in Jamaica, B. W. I., Antilles Dept, (undated), Vol I, Exhibit #6C, in AGP&RC. In a note on 10 June 1943, the British Embassy informed the State Department that the British Government would assume all claims for compensation for expropriated private property in the British Colonies which the United States had agreed to pay under the exchange of notes of 2 September 1940. The institution of Reverse Lend Lease meant in effect that the British Government assumed payment of more than five million dollars in claims resulting from moving and resettlement projects, temporary loss of earning power on the part of land owners, and bonuses to induce private owners to immediately vacate properties urgently needed for defense purposes, in addition to the payment of funds to cover the actual value of private property expropriated. [See Radio #WARX 18930, Marshall to CG, Antilles Dept, 5 Apr 44, in US Aviation Agreements, AC/AS-4, Air Installations Files (FREB); New York Times, 11:3, 10 Aug 43.]
13. Agreement between the United States and Great Britain for the Use and Operation of the United States Bases, 27 Mar 41, in AG 680.4 Leases, CDC.
14. Report of Board of Experts appointed in connection with the Acquirement of Naval and Air Bases from the British Government - Antigua, 25 Oct 40, in History of Negotiations Concerning the Army Base at Antigua, B. W. I., Vol I, Exhibit #1, in AGP&RC.
15. Ibid., App. "A."
16. Ltr, Capt. W. J. R. Stebbings, ADC, Antigua to Surveyor in Charge, US Air Base, Antigua, 31 Dec 40, in History of Negotiations Concerning the Army Base at Antigua (hereinafter referred to as Hist of Neg - Antigua), B. W. I., Vol I, Exhibit #4, in AGP&RC.
17. Ltr, Lt. Tahlman Krumm, US Engr Office, Antigua to J. D. Harford, Acting Gov of Antigua, 3 Mar 41, in AG 600.1.
18. Ltr, J. D. Harford, Acting Governor of Antigua to Lt. Tahlman Krumm, US Engr Office, Antigua, 5 Mar 41, in Hist of Neg - Antigua, Vol I, Exhibit #20, in AGP&RC.

19. Memo: Conference with Antigua Government Officials - March 6, 1941, US Engr Office, Antigua, 7 Mar 41, in Hist of Neg - Antigua, Vol I, Exhibit #21B, in AGP&RC.
20. Ltr, Lt. Tahlman Krumm, US Engr Office, Antigua to J. D. Harford, Acting Gov of Antigua, 8 Mar 41, in Hist of Neg - Antigua, Vol I, Exhibit #22A, in AGP&RC.
21. Ltr, J. D. Harford, Acting Gov of Antigua to Lt. Tahlman Krumm, US Engr Office, Antigua, 18 Mar 41, in AG 601.53.
22. Lease between United States of America and the Colony of Antigua Regarding 99-Year Base Sites, 29 May 41; ltr, CG Antilles Dept to CG CDC, subj: Acquisition of Land, Antigua, B.W.I., 22 Aug 44; Map, Land Leased to United States of America in Antigua, B.W.I.; all in Hist of Neg - Antigua, Vol I, Exhibits #2, 59, 55A, in AGP&RC; ltr, TAG to Chief of the AC, subj: Naming of New Air Corps Stations, 14 Jun 41, in AG 680.9 (6-6-41).
23. WD Historical Study, The Relations of the Bahama Islands to the Caribbean Theater in World War II, pp. 11-12, in OCMH 8-2.8, BM.
24. Ibid.; Hist of the Caribbean Air Force, 8 May 41-6 Mar 42, pp. 230-35, in USAF HD 462.01.
25. Ibid.; ltr, Dist Engr, Bahamas to CG CAF, 28 Jul 41, in Hist of the Caribbean Air Force, 8 May 41-6 Mar 42, Vol II, in USAF HD 462.01.
26. Ltr, TAG to Chief of the AC, subj: Naming of New Air Corps Stations, 14 Jun 41, in AG 680.9 (6-6-41).
27. Memo from Acting Asst C/S for Chief of the AAF, subj: Report on Air Base Sites, Great and Little Exuma Islands, 27 Jun 41, in WPD 4351-18.
28. Selection of a Naval and Air Base in the Bahamas, by the Joint Planning Committee, 26 Jul 41, in J.B. #308 (Serial 682), 27 Apr 41.
29. Note No. 683, John W. Dye, US Consul, Bahamas to Secy of State, subj: The Oakes Airfield Available for use of United States Government, 7 Oct 40; note No. 708, John W. Dye, US Consul, Bahamas to Secy of State, subj: Improvement and Extension of the Oakes' Airfield, 22 Nov 40; all in US Aviation Agreements, West Indies, Bahamas, in AC/AS-4, Air Installations files (FREB).

30. Note (unnumbered), Cordell Hull, Secy of State to The Viscount Halifax, K. G., British Amb to US, 5 May 42; Note No. 405, The Viscount Halifax, K. G., British Amb to US to Cordell Hull, Secy of State, 12 Jun 42; all in US Aviation Agreements, West Indies, Bahamas, in AC/AS-4, Air Installations files (FREB); Report on Construction Program, by WD Corps of Engr, May 1944, Vol I, pp. 95-101, in Miami Proj files (DRB-TR).
31. Ibid.; Note (unnumbered), Cordell Hull, Secy of State to The Viscount Halifax, K. G., British Amb to US, 13 Jan 43; Note No. 192, The Viscount Halifax, K. G., British Amb to US to Cordell Hull, Secy of State, 24 Mar 1943; Note No. 240, The Viscount Halifax, K. G., British Amb to US to Cordell Hull, Secy of State, 12 Apr 43; all in US Aviation Agreements, West Indies, Bahamas, in AC/AS-4, Air Installations files (FREB).
32. Note (unnumbered), Cordell Hull, Secy of State to The Viscount Halifax, K. G., British Amb to US, 10 Jun 43; Note #32, Halifax to Hull, 15 Jan 44; Memo of Conversation, subj: Two Airfields in the Bahamas, 10 Aug 44; all in US Aviation Agreements, West Indies, Bahamas, in AC/AS-4, Air Installations File (FREB). During the latter part of World War II, ferrying operations over the Miami-San Juan route created a need for an emergency landing field in the Bahamas. On 3 May 1944, the CG Antilles Department requested and received permission from the War Department to construct a landing field on the Island of South Caicos. The War Department had received permission from the British Government in August 1944 to establish the emergency landing field under the following conditions:
- (1) The area would be used by the United States authorities for the duration of the war only.
 - (2) Construction would be confined to those air facilities essential for military purposes.
 - (3) The British would be authorized to have reciprocal use of the site.
- One hundred ten acres of land were acquired on South Caicos Island for the establishment of the landing field. Soon thereafter, the British Embassy informed the Secretary of State that the request for the site had been irregular as the United States military officials had approached the Commissioner of the Turks and Caicos Islands in regard to the requirement rather than follow prescribed channels by handling the request through the State Department. At any rate, permission was granted in view of urgent defense

32. (cont'd)
needs. [See WD Study, Construction and Real Estate Activities in the Caribbean Defense Command, Vol II, pp. 297-299, in OCMH 8-2.8, AL.]
33. Construction and General Engineering Notes, British Guiana, by Lt. Col. J. D. Arthur, Jr., Div Engr, Eastern Div, in History of Negotiations Concerning the Army Bases at British Guiana, S. A. (hereinafter referred to as Hist of Neg - British Guiana), Vol I, Exhibit #2, in AGP&RC; Interview with Maj. Arthur Williams on 15 Mar 44, in Hist Atkinson Army Airfield, 1 Aug 1942-30 Jun 1944, in USAF HD AAF-ATKINSON-HI; Hist Caribbean Air Command, 1 Jul-31 Dec 49, App. "C," Vol I, in USAF HD 464.01.
34. Ltr, Dist Engr, Trinidad Dist to Div Engr, Eastern Div, subj: Recommended Boundaries for British Guiana Air Base, 5 Apr 41, in Hist of Neg - British Guiana, Vol I, Exhibit #5A, in AGP&RC.
35. Memo for Miss Borjes from Div Engr, Eastern Div, 12 Apr 41, in Hist of Neg - British Guiana, Vol 1, Exhibit #7A, in AGP&RC.
36. Lease between the United States of America and the Colony of British Guiana Regarding 99-Year Base Sites, 27 May 41, in Hist of Neg - British Guiana, Vol I, Exhibit #9A, in AGP&RC. According to the schedule incorporated in the Agreement of 27 March 1941, the Hyde Park area was described as containing approximately 2-1/2 square miles or 1,600 acres of land.
37. Ltr, TAG to Chief of AC, subj: Naming of New Air Corps Stations, 14 Jun 41, in AG 680.9 (6-6-41); Hist of the Caribbean Air Command, 1 Jul-31 Dec 49, App. "C," Vol I, in USAF HD 464.01.
38. Hist of the Caribbean Air Force, 8 May 41-6 Mar 42, Vol I, pp. 219-24, in USAF HD 462.01.
39. 5th Ind (ltr, Chief, Real Estate Br to Div Engr, Eastern Div, subj: Request for map indicating the area originally contemplated by the draft of lease and its variation, 18 Jan 43) Div Engr, Eastern Div to Chief, Real Estate Br, 26 Feb 43, in Hist of Neg - British Guiana, Vol I, Exhibit #20B, in AGP&RC.

40. Ltr, Capt. Roger H. Williams, Area Engr to the Governor, British Guiana, 25 Jan 43, Exhibit #22; ltr, Maj. Gen. E. F. Harding, CG Antilles Dept to CG CDC, subj: Draft of Lease Covering 99-year Leased Areas in British Guiana, South America, 24 Apr 45, Exhibit #34A; all in Hist of Neg - British Guiana, Vol I, in AGP&RC.
41. Report on visit to US Army Base to inspect additional areas required by the US, by C. P. De Freitas, Office of Commissioner of Lands and Mines, British Guiana, 18 Mar 43, in Hist of Neg - British Guiana, Vol I, Exhibit #24C, in AGP&RC.
42. Ltr, Area Engineer to American Consul, British Guiana, 17 May 43, in AG 041.2, Antilles Div.
43. Memorandum Concerning British Guiana Land Acquisition, by the Office of the Asst C/S, G-4, Trinidad Sector and Base Command, 30 Dec 43, in Hist of Neg - British Guiana, Vol I, Exhibit #30A, in AGP&RC.
44. Radio #4169, C/S WD to CG, Antilles Dept, 8 Mar 44, in Hist of Neg - British Guiana, Vol I, Exhibit #30E, in AGP&RC.
45. Ltr, Col. W. J. Truss, Div Engr, Eastern Div to the American Consul, British Guiana, 13 May 44, in Hist of Neg - British Guiana, Vol I, Exhibit #32, in AGP&RC.
46. Ltr, Col Aubrey H. Bond, Div Engr, Eastern Div to the American Consul, British Guiana, 18 July 1944, Exhibit #33A; ltr, Carlton Hurst, American Consul, British Guiana to Col. Aubrey H. Bond, Div Engr, 25 Jul 44, Exhibit #33B; all in Hist of Neg - British Guiana, Vol I, in AGP&RC. Under the peculiar system of Roman-Dutch law in the Colony, a lease once signed could not be declared void; however, it could be implemented by a new lease which would become effective on the date of signature by the Chief Justice of the Colony and the United States representative. Actually, two documents would be required: (1) a transport to cover the 5,540 acres of the base site and 16.46 acres of the radio range station belonging to the Colony, and (2) a lease to cover 12,080.30 acres for the bombing range belonging to the Crown.
47. Ltr, Lt. Col. Loren W. Olmstead, Exec Officer, Div Engr to the American Consul, 4 Aug 44, in Hist of Neg - British Guiana, Vol I, Exhibit #33D, in AGP&RC.

48. Ltr, Asst AG, Antilles Dept to CO, APO 857, subj: British Guiana Base Lease Agreement, 21 Dec 44, in Hist of Neg - British Guiana, Vol I, Exhibit #33D, in AGP&RC.
49. Ltr, Albert A. Rabida, American Vice Consul, British Guiana to Lt. Col. Albert A. Shumsky, CO British Guiana Base Command, 4 Jan 45, in Hist of Neg - British Guiana, Vol I, Exhibit #33E, in AGP&RC.
50. Ltr, Adj, APO 857 to CG Hq Antilles Dept, APO 851, subj: Status Report on British Guiana Base Lease Agreement, 9 Feb 45, in Hist of Neg - British Guiana, Vol I, Exhibit #33G, in AGP&RC.
51. Ltr, Adj, APO 857 to CG, Hq Antilles Dept, APO 851, subj: Status Report on British Guiana Base Lease Agreement, 7 Mar 45, in Hist of Neg - British Guiana, Vol I, Exhibit #33H, in AGP&RC.
52. Ltr, Maj. Gen. E. F. Harding, CG Antilles Dept to CG CDC, subj: Draft of Lease Covering 99-year Leased Areas in British Guiana, South America, 24 Apr 45, in Hist of Neg - British Guiana, Vol I, Exhibit #34A, in AGP&RC.
53. Memo for Chief, Div of British Commonwealth Affairs, State Dept from Chief, Liaison Sec, OPD, subj: Draft of Lease Covering 99-year Leased Areas in British Guiana, South America, 11 Jun 45, in Hist of Neg - British Guiana, Vol I, Exhibit #34B, in AGP&RC.
54. Hist of Neg - British Guiana, Vol I, p. 38, in AGP&RC.
55. Ltr, G. D. Owen, Colonial Secy, British Guiana to Capt. Roger H. Williams, Area Engr, British Guiana Base, 10 Oct 42, in Hist of Neg - British Guiana, Vol I, Exhibit #40A, in AGP&RC.
56. Ltr, Capt. Roger H. Williams, Area Engr to Gov of British Guiana, 25 Jan 1943, Exhibit #22; Permission to Use Shell Beach Emergency Landing Field, 12 Apr 43, Exhibit #40E; all in Hist of Neg - British Guiana, Vol I, in AGP&RC. Shell Beach Emergency Landing Field was constructed on a beach site that was subject to constant shifting due to ocean currents. Attempts were made to control this condition by artificial methods; however, in October 1943, a storm destroyed a portion of the landing strip. Although the damaged strip was repaired, continued shifting of the beach area

56. (cont'd)
necessitated the construction of a new landing strip two miles north of the original site in November. On 2 June 1944, the CG, Antilles Department recommended abandonment of Shell Beach in view of unpredictable beach movements and no military requirements for the landing strip. After War Department approval of the abandonment, the American Consul asked the Colonial Secretary on 26 October 1944 to cancel the permit of 12 April 1943. In mid-December 1944, however, the War Department requested that Shell Beach Emergency Landing Field be reopened to accommodate operations of the Air Transport Command and that the matter be renegotiated with the Colonial Government. When approached by the American Consul, the Colonial Secretary replied on 2 January 1945 that the 12 April permit would be regarded as remaining in effect. [See Radio #6948, Hq Puerto Rican Dept to TAG, 27 Nov 43, Exhibit #40B; ltr, CG Antilles Dept to CG CDC, subj: Abandonment of Shell Beach Landing Strip, British Guiana, 2 Jun 44, Exhibit #42A; ltr, TAG to CG CDC, subj: Emergency Landing Strip at Shell Beach, British Guiana, 13 Dec 44, Exhibit 46A; ltr, Colonial Secy, British Guiana to American Vice Consul, 2 Jan 45, Exhibit #46C; all in Hist of Neg - British Guiana, Vol I, in AGP&RC.]
57. Ltr, Capt. Roger H. Williams, Area Engr, to Gov of British Guiana, 25 Jan 43, Exhibit #22; Report on visit to US Army Base to inspect additional areas required by US, by C. P. De Freitas, 18 Mar 43, Exhibit #24C; all in Hist of Neg - British Guiana, Vol I, in AGP&RC.
58. Permission to use Mahaica Auxiliary Landing Strip, 5 May 43, in Hist of Neg - British Guiana, Vol I, Exhibit #47, in AGP&RC. By verbal agreement, later confirmed in writing on 18 May 1943, the United States constructed an auxiliary landing field on property known as Manari Ranch, neighborhood of "Bon Success," in the Rupununi District, with the informal consent of the Colonial Government. An agreement was signed with an individual, T. Orella, whereby his grazing rights in this area would be respected and that the landing field would at all times be fenced in to prevent obstructions to aircraft. [See Agreement relating to Auxiliary Landing Field at Manari Ranch, 18 May 43, Exhibit #48, in Hist of Neg - British Guiana, Vol I, in AGP&RC.]

59. Report of Board of Experts Appointed in connection with the acquirement of Naval and Air Bases from the British Government - Jamaica, 9 Oct 40, in History of Negotiations Concerning the Army Bases in Jamaica, B. W. I. (hereinafter referred to as Hist of Neg - Jamaica), Vol I, Exhibit #1, in AGP&RC.
60. Consolidated Report on Jamaican District, by Maj. Robert G. Lovett, Dist Engr, Jamaica Dist, 10 May 1941, in Hist of Neg - Jamaica, Vol I, Exhibit #2, in AGP&RC.
61. Memo for Dist Engr, Jamaica Dist from Div Engr, Eastern Div, 7 Jan 41, in Hist of Neg - Jamaica, Vol I, Exhibit #8A, in AGP&RC.
62. Hist of the Caribbean Air Force, 8 May 41-6 Mar 42, pp. 193-99, in USAF HD 462.01; ltr, Dist Engr, Jamaica to Div Engr, Eastern Div, subj: Areas to be acquired for Jamaica base installations and location of airfields and permanent garrison, 15 Feb 41, in Hist of Neg - Jamaica, Vol I, Exhibit #10, in AGP&RC.
63. Radio #44, Dist Engr, Jamaica to Div Engr, Eastern Div, 22 Mar 41, in Hist of Neg - Jamaica, Vol I, Exhibit #13A, in AGP&RC.
64. Radio #38, Div Engr, Eastern Div to Dist Engr, Jamaica, 22 Mar 41, in Hist of Neg - Jamaica, Vol I, Exhibit #13C, in AGP&RC.
65. Ltr, Hugh H. Watson, American Consul General, Jamaica to Maj. R. G. Lovett, Dist Engr, Jamaica, 29 Mar 41, in Hist of Neg - Jamaica, Vol I, Exhibit #18D, in AGP&RC.
66. Consolidated Report on Jamaica District, by Maj. Robert G. Lovett, Dist Engr, Jamaica, 10 May 41, in Hist of Neg - Jamaica, Vol I, Exhibit #2, in AGP&RC.
67. Ltr, Commissioner of Lands, Jamaica to Dist Engr, Jamaica, 24 Jun 41; ltr, Dist Engr, Jamaica to Commissioner of Lands, Jamaica, 26 Jun 41; ltr, the Secretariat, Jamaica to American Consul General, Jamaica, 27 Jun 41; ltr, American Consul General, Jamaica to Dist Engr, Jamaica, 27 Jun 41; all in Hist of Neg - Jamaica, Vol I, Exhibits #45A-D, in AGP&RC.
68. Ltr, TAG to Chief of AC, subj: Naming of New Air Corps Stations, 14 Jun 41, in AG 680.9 (6-6-41); Hist of the Caribbean Air Force, 8 May 41-6 Mar 42, pp. 193-99, in USAF HD 462.01.

69. Memo for Asst C/S, WPD from Div Engr, Eastern Div, 8 Jul 1941, in Hist of Neg - Jamaica, Vol I, Exhibit #60F, in AGP&RC.
70. Radio #NY124, Pence to Ely, 12 Aug 1941; Radio (unnumbered), Ely to Div Engr, Eastern Div, 15 Aug 41; all in Hist of Neg - Jamaica, Vol I, Exhibits #60H-I, in AGP&RC.
71. Ltr, Dist Engr, Jamaica to Div Engr, Caribbean Div, subj: Status of Metes and Bounds Surveys of Areas being acquired by the United States, 24 Oct 41, in AG 601.5-7-12.
72. 1st Ind (ltr, Dist Engr, Jamaica to Div Engr, Caribbean Div, subj: Status of Metes and Bounds Surveys of Areas being acquired by the United States, 24 Oct 41) Div Engr, Caribbean Div to Dist Engr, Jamaica, 1 Nov 41, in AG 601.5-7-12.
73. Ltr, W. H. Flinn, Officer Administering the Government, Jamaica to Col E. C. Ewert, CO Jamaica Base Command, 5 Feb 43, in Hist of Neg - Jamaica, Vol I, Exhibit #70A, in AGP&RC.
74. 2d Ind (ltr, Area Engr to Div Engr, CDC, subj: Land Acquisition, 12 Feb 43), Div Engr, CDC to Chief of Engrs, WD, 14 Apr 43, in CDR 601.53 JA (General) - 13.
75. Ltr, Chief, Real Estate Br, WD to Div Engr, Caribbean Div, subj: Date of Commencement of 99-Year Term for Leases in Jamaica, 21 Sep 43, in CE 601.53 Jamaica - SPEKL.
76. 1st Ind (ltr, Chief, Real Estate Br, WD to Div Engr, CDC, subj: Land Acquisition, 14 Aug 43) Div Real Estate Officer, Antilles Dept to Office, Chief of Engrs, WD, 19 Aug 43, in CE 601.53 Jamaica SPEKL.
77. Ltr, Asst AG, Antilles Dept Engr to CO, APO-861, subj: Jamaica Base Lease Agreement, 24 Nov 44, in AG 601.53-Gen.
78. Ltr, Crown Solicitor, Jamaica to Exec Officer, Caribbean Div, 31 Jan 44, in Hist of Neg - Jamaica, Vol I, Exhibit #77B, in AGP&RC.
79. Ltr, Exec Officer, Div Engr to Crown Solicitor, Jamaica, 14 Feb 44, in CDR 601.53 JA (General) - 19.

80. CDC Study, Construction and Real Estate Activities in the Caribbean Defense Command, 1 Nov 46, Vol II, Chap. 2, pp. 235-45, in OCMH 8-2.8, AL.
81. Ibid.; ltr, Louis J. Logan, Assoc. Civil Engr, Jamaica to Caribbean Div Real Estate Office, Miami, subj: Report on Status of Acquisition in Jamaica, 14 Aug 42, in CDR 601.53 JA-1.
82. Report of Board of Experts appointed in connection with the acquirement of Naval and Air Bases from the British Government - St. Lucia, 25 Oct 40, in History of Negotiations Concerning the Army Bases in St. Lucia, B.W.I. (hereinafter referred to as Hist of Neg - St. Lucia), Vol I, Exhibit #1, in AGP&RC.
83. R&R, Maj Clark, OCAC to Plans Div and Chief of the AC, subj: Inspection Trip to St. Lucia, BWI, 2 Jan 41, in AAG 686-A West Indies.
84. Memorandum For Long, by Capt E. B. Downing, Area Engr, 22 Mar 41, Exhibit #28A; ltr, Henry E. Beimar and J. Du Boulay to A. A. Wright, Adm, St. Lucia, subj: Establishment of United States Army Air Base, 22 Mar 41, Exhibit #28B; all in Hist of Neg - St. Lucia, Vol I, in AGP&RC.
85. See n. 84.
86. Ltr, Dist Engr, Trinidad to Div Engr, Eastern Div, subj: Recommended Boundaries for St. Lucia, B.W.I., Air Base, 7 Apr 41, in Hist of Neg - St. Lucia, Exhibit #2A, Vol I, in AGP&RC.
87. 3d Ind (ltr, Dist Engr, Trinidad to Div Engr, Eastern Div, subj: Recommended Boundaries for St. Lucia, B.W.I., Air Base, 7 Apr 41) Div Engr, Eastern Div to Dist Engr, Trinidad, 12 May 41, in Hist of Neg - St. Lucia, Vol I, Exhibit #2A, in AGP&RC.
88. Memorandum For Log, by Capt E. B. Downing, Area Engineer, 30 May 41, in Hist of Neg - St. Lucia, Vol I, Exhibit #9, in AGP&RC.
89. Radio (unnumbered), Amer Consul, Barbados to Secy of State, 30 May 41, Exhibit #10; ltr, Area Engr to Dist Engr, Trinidad, subj: St. Lucia Lease, 4 Jun 41, Exhibit #14; Lease between the United States and His Majesty the King for Bases in St. Lucia, BWI, 3 Jun 41, Exhibit #12; all in Hist of Neg - St. Lucia, Vol I, in AGP&RC.

90. Ltr, TAG to Chief of AC, subj: Naming of New Air Corps Stations, 14 Jun 41, in AG 680.9 (6-6-41); Hist of Beane Field, 20 Jul 41-Sep 43, pp. 1-3, in USAF HD AAFLD-BEANE-HI; 1st Ind (ltr, CO Hq Prov Air Base, Piarco Field to Chief of AC, subj: Recommendations for Dispersion Landing Strips on the Island of Trinidad, BWI, 23 Jul 41) Chief of the AC to CG CDC, 7 Aug 41, in AAG 686-6, West Indies.
91. Hist of Waller Field, 22 Apr 41-Jan 44, pp. 1-9, in USAF HD AAFLD-WALLER-HI.
92. Ibid.; Hist of the Trinidad Sector and Base Command, (undated), pp. 23-24, in OCMH 8-2.11. It appears that Governor Young preferred the Caroni Swamp area for two basic reasons:(1) the public works feature of reclaiming a vast wasteland for the eventual use of the Colony and (2) the feasibility of having both the Army and Naval bases in the same area since colonial transportation facilities would not be overtaxed and the least possible disturbance to normal civilian life would result. The Navy had selected an area on the Northwest Peninsula, separated from the Army's Cumuto Reserve by some distance. Actually, the Governor expressed little objection to the use of the Cumuto Reserve by the Army. This area was sparsely settled and had virtually no agricultural potential.
93. Lease between the United States and His Majesty the King for Bases in Trinidad, BWI, 22 Apr 41, in US Aviation Agreements, West Indies, Trinidad, in AC/AS-4, Air Installations Files (FREB).
94. Ltr, TAG to Chief of AC, subj: Naming of New Air Corps Stations, 14 Jun 41, in AG 680.9 (6-6-41).
95. Hist of the Caribbean Air Force, 8 May 41-6 Mar 42, pp. 199-214, in USAF HD 462.01.
96. Ibid.
97. Ibid.; WD Historical Study, Construction and Real Estate Activities in the Caribbean Defense Command, 1 Nov 46, pp. 175-91, in OCMH 8-2.8, AL; Report on Status of Leased and Proposed Leased Lands and Property - Trinidad, by Hq, Trinidad Sector and Base Command, 2 Feb 42, in PCD Bulky Files, Trinidad (1942).

98. WD Historical Study, Construction and Real Estate Activities in the Caribbean Defense Command, 1 Nov 46, pp. 175-91, in OCMH 8-2.8, AL.
99. Ibid.; Report on Status of Leased and Proposed Leased Lands and Property - Trinidad, by Hq Trinidad Sector and Base Command, 2 Feb 42, in PCD Bulky File, Trinidad (1942); ltr, Colonial Secy, Trinidad to Amer Consul, Trinidad, 27 Feb 42, in PCD Bulky File, Trinidad (1942).
100. Ltr, Dist Engr, Trinidad to Amer Consul, Trinidad, 12 Nov 42; ltr, Amer Consul, Trinidad to Dist Engr, Trinidad, 2 Dec 42; all in US Aviation Agreements, West Indies, Trinidad, in AC/AS-4, Air Installations Files (FREB).
101. WD Historical Study, Construction and Real Estate Activities in the Caribbean Defense Command, 1 Nov 46, pp. 175-91, in OCMH 8-2.8, AL; ltr, Colonial Secy, Trinidad to Amer Consul, Trinidad, 7 Mar 42; ltr, Colonial Secy, Trinidad to Amer Consul, Trinidad, 19 Mar 42; ltr, Div Engr, Miami to Whom It May Concern, subj: Exchange Auxiliary Landing Field, Trinidad, British West Indies, 11 Oct 43; all in US Aviation Agreements, West Indies, Trinidad, in AC/AS-4, Air Installations Files (FREB). In addition to the larger airfields in Trinidad, several dispersion and emergency landing fields were surveyed and prepared for use but, eventually, they were abandoned. Among these sites were Union Field, located three miles southeast of San Fernando; Reform Field, located on the southern coast; Preau Field, located 24 miles southeast of San Fernando; La Brea Field, located on the northern shore of the southwest peninsula; and Savanna Grande Field.
102. Ltr, G-2, Hq Trinidad Sector and Base Command to Asst C/S, Trinidad Sector and Base Command, subj: Directive for Visit to Barbados, 27 Feb 42, in PCD Bulky File, Trinidad (1942); ltr, CO Trinidad Detachment, VI Fighter Command, Antilles Task Force to CG Trinidad Sector and Base Command, and others, subj: Barbados, 6 Aug 42, in AG 686 PCD.
103. Ltr, Sir Henry Grattan Bushe, Gov of Barbados to Maj. Gen. H. C. Pratt, CG Trinidad Sector and Base Command, 31 Aug 42, in US Aviation Agreements, West Indies, Trinidad, in AC/AS-4, Air Installations Files (FREB).
104. Ltr, Maj. Gen. H. C. Pratt, CG Trinidad Sector and Base Command to Sir Henry Grattan Bushe, Gov of Barbados, 8 Sep 42, in PCD Bulky File, Trinidad (1942).

105. Annex I to ltr, Maj. Gen. H. C. Pratt, CG Trinidad Sector and Base Command to Sir Henry Grattan Bushe, Gov of Barbados, 6 Oct 1942, in PCD Bulky File, Trinidad (1942).
106. Ltr, Maj. Gen. H. C. Pratt, CG Trinidad Sector and Base Command to Sir Henry Grattan Bushe, Gov of Barbados, 23 Oct 42, in PCD Bulky File, Trinidad (1942).
107. WD Historical Study, Construction and Real Estate Activities in the Caribbean Defense Command, 1 Nov 46, pp. 293-95, in OCMH 8-2.8, AL.
108. Ltr, Dist Engr, Trinidad to Amer Consul, Trinidad, 13 Oct 42; ltr, Dist Engr, Trinidad to Amer Consul, Trinidad, 22 Oct 42; ltr, Amer Consul, Trinidad to Dist Engr, Trinidad, 26 Oct 42; ltr, Dist Engr, Trinidad to Amer Consul, Trinidad, 31 Oct 42; ltr, Amer Consul, Trinidad to Dist Engr, Trinidad, 3 Nov 42; all in US Aviation Agreements, West Indies, Trinidad, in AC/AS-4, Air Installations Files (FREB).
109. Ltr, CG Trinidad Sector and Base Command to Amer Consul, Trinidad, 24 Nov 42, in US Aviation Agreements, West Indies, Trinidad, in AC/AS-4, Air Installations files (FREB).
110. Ltr, Acting Colonial Secy, Trinidad to Amer Consul, Trinidad, 19 Dec 42, in US Aviation Agreements, West Indies, Trinidad, in AC/AS-4, Air Installations Files (FREB); WD Historical Study, Construction and Real Estate Activities in the Caribbean Defense Command, 1 Nov 46, pp. 184-91, in OCMH 8-2.8, AL.

Appendix 1

DRAFT "A" OF PROPOSED LEASE

AGREEMENT

Between the United States of America and the Republic of Panama for the lease to the United States of lands in Panama for use by the military forces in the defense and protection of the Panama Canal.

Whereas, the United States of America and the Republic of Panama, recognize that the utilization of additional lands and waters is necessary for the maintenance, sanitation, efficient operation of the Canal, and for its effective protection, and are desirous to execute fully the provisions of the second paragraph of Article II, of the Treaty of March 2, 1936, which provides:

"While both Governments agree that the requirement of further lands and waters for the enlargement of the existing facilities of the Canal appears to be improbable, they nevertheless recognize, subject to the provisions of Articles I and X of this Treaty, their joint obligation to insure the effective and continuous operation of the Canal and the preservation of its neutrality, and consequently, if, in the event of some now unforeseen contingency, the utilization of lands or waters additional to those already employed should be in fact necessary for the maintenance, sanitation, or efficient operation of the Canal, or for its effective protection, the Governments of the United States of America and the Republic of Panama will agree upon such measures as it may be necessary to take to insure the maintenance, sanitation, efficient operation and effective protection of the Canal, in which the two countries are jointly and vitally interested."

Therefore, the undersigned, to wit: Norciso Garey,

Secretary

Secretary of Foreign Relations and Communications of the Republic of Panama, and Cordell Hull, Secretary of State of the United States of America, acting by William Dawson, Ambassador Extraordinary and Plenipotentiary of the United States of America, acting in the name and representation of our respective Governments, by which we are legally and sufficiently authorized, have concluded the following contract:

FIRST. The Republic of Panama hereby leases to the United States for a term of nine hundred and ninety-nine years, beginning with the date of the passage of the decree-law referred to in the tenth article hereof, the following described areas of land situated in the Republic of Panama:

(Herein description of land as contained in the Public Registry, Register of Property, Section of _____.)

Add: Excepting from said area strip of land now used as a part or section of the so-called National Highway extending from (here insert east and west termini and width of road),

but with the right of the United States to use said highway for transportation purposes and to construct and maintain road connections therewith, and to cross said highway for access to the areas on either side thereof, and to construct and maintain thereunder, thereover or along the same, utilities and installations necessary in connection with the use of adjacent areas.

SECOND. The grant of the foregoing Article shall include the right to use the waters adjacent to said areas of land, and to improve and deepen the entrances thereto and the anchorages therein, and generally to do any and all things necessary in connection with the utilization of the premises to insure the efficient operation and effective protection of the Canal.

THIRD. Aircraft owned by the Republic of Panama and aircraft of Panamanian registry owned by nationals of the Republic of Panama may be permitted, under such rules and regulations as may be prescribed by the United States, to land and take off at any airport established within said areas, but such permission shall be construed as occasional and not exclusive and shall always be subordinate to use by the United States; provided that the United States shall not be responsible for any claims for injuries to persons in such aircraft or damages to said aircraft or property caused by the operation of said aircraft, or which may result incident to the use of said areas by the United States; provided further that such permission to land, take off, and/or the use of the air space above said areas may from time to time be regulated or suspended by the United States when deemed by it to be in the interest of public safety or necessary for the maintenance, sanitation, or efficient operation of the Canal or for its effective protection.

FOURTH. The Republic of Panama retains its sovereignty over the above-described areas of land and water but nevertheless consents that during the period of the occupation by the United States of said areas under the terms of this agreement, the United States shall have complete

use of said area, exclusive jurisdiction over military and civilian personnel of the United States, and their families, and over all other persons within these areas except citizens of the Republic of Panama. It is understood and agreed by and between the parties hereto that within a reasonable time after the signing of this agreement the Government of the Republic of Panama will enact and keep in force adequate legislation to insure the prosecution, and severe punishment in case of conviction, of all citizens of the Republic of Panama for offences committed within the said areas and conferring jurisdiction for the trial of offenders upon the superior courts of the said Republic to the exclusion of all inferior courts of the said Republic. It is further understood and agreed that if this Article Fourth does not prove satisfactory for the maintenance, sanitation or efficient operation of the Canal or for its effective protection, the United States reserves the right to request of the Republic of Panama the exclusive jurisdiction over the above-described areas.

FIFTH. The United States shall take such measures as may be necessary to protect from injury by aircraft of the United States persons and property passing over or upon said National Highway.

SIXTH. The Republic of Panama covenants that the United States shall peaceably hold and enjoy the said areas during the said term without any interruption whatsoever by the Republic of Panama or any person claiming under the Republic of Panama.

SEVENTH. All buildings and other improvements erected upon said areas by the United States shall be and remain the property of the United States and may be removed therefrom by the United States prior to the expiration of this lease. In the event of damage or destruction of said buildings and improvements from any cause, there shall be no obligation on the part of the United States or the Republic of Panama to rebuild or repair such damage or destruction; or for the United States to return upon the expiration of this lease, the premises in the condition in which they were when the United States entered into possession.

EIGHTH. The Republic of Panama covenants that the above described areas of land and property of the United States therein; military and civilian personnel of the United States and their families within said areas and their property having its situs within such areas, shall be exempt from all forms of taxation, assessment and levy by the Republic of Panama during the term of this lease.

NINTH. The Republic of Panama shall not, without consent of the United States, permit the erection or maintenance of any aerial

lines or other obstructions constituting hazards to flying in proximity to said areas, or enact any legislation curtailing or restricting the United States in the use of said areas.

TENTH. The price of rental for the entire stated period shall be _____, which the United States Government shall pay so soon as a decree-law sanctioning this agreement shall have been proclaimed by the President of the Republic of Panama and published in the Official Gazette.

ELEVENTH. No Member of or Delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this lease or to any benefit to arise therefrom. Nothing, however, herein contained shall be construed to extend to any incorporated company, if the lease be for the general benefit of such corporation or company.

Done at Panama, in duplicate, this day of _____, nineteen hundred and forty.

COPY

DRAFT "B" OF PROPOSED LEASEAGREEMENT

Between the United States of America and the Republic of Panama for the lease to the United States of lands in Panama for use by the military forces in the defense and protection of the Panama Canal

Whereas, the United States of America and the Republic of Panama, recognize that the utilization of additional lands and waters is necessary for the maintenance, sanitation, efficient operation of the Canal, and for its effective protection, and are desirous to execute fully the provisions of the second paragraph of Article II, of the Treaty of March 2, 1936, which provides:

"While both Governments agree that the requirement of further lands and waters for the enlargement of the existing facilities of the Canal appears to be improbable, they nevertheless recognize, subject to the provisions of Articles I and X of this Treaty, their joint obligation to insure the effective and continuous operation of the Canal and the preservation of its neutrality, and consequently, if, in the event of some now unforeseen contingency, the utilization of lands or waters additional to those already employed should be in fact necessary for the maintenance, sanitation, or efficient operation of the Canal, or for its effective protection, the Governments of the United States of America and the Republic of Panama will agree upon such measures as it may be necessary to take to insure the maintenance, sanitation, efficient operation and effective protection of the Canal, in which the two countries are jointly and vitally interested."

Therefore, the undersigned, to wit:

Secretary of Foreign Relations and Communications of the Republic of Panama, and Cordell Hull, Secretary of State of the United States of America, acting by William Dawson, Ambassador Extraordinary and Plenipotentiary of the United States of America, acting in the name and representation of our respective Governments, by which we are legally and sufficiently authorized, have concluded the following contract:

FIRST. The Republic of Panama hereby leases to the United States for a term of ninety-nine years, beginning with the date of the passage of the decree-law referred to in the tenth article hereof, the following described areas of land situated in the Republic of Panama:

* * * * *

SECOND. The grant of the foregoing article shall include the right to use the waters adjacent to said areas of land, and to improve and deepen the entrances thereto and the anchorages therein, and generally to do any and all things necessary in connection with the utilization of the premises to insure the efficient operation and effective protection of the Canal.

THIRD. Aircraft owned by the Republic of Panama and aircraft of Panamanian registry owned by nationals of the Republic of Panama may be permitted, under such rules and regulations as may be prescribed by the United States, to land and take off at any airport established within

said areas, but such permission shall be construed as occasional and not exclusive and shall always be subordinate to use by the United States; provided that the United States shall not be responsible for any claims for injuries to persons in such aircraft or damages to said aircraft or property caused by the operation of said aircraft, or which may result incident to the use of said areas by the United States; provided further that such permission to land, take off, and/or the use of the air space above said areas may from time to time be regulated or suspended by the United States when deemed by it to be in the interest of public safety or necessary for the maintenance, sanitation, or efficient operation of the Canal or for its effective protection.

FOURTH. The Republic of Panama retains its sovereignty over the above-described areas of land and water but nevertheless consents that during the period of the occupation by the United States of said areas under the terms of this agreement, the United States shall have complete use of said areas, exclusive jurisdiction over military and civilian personnel of the United States, and their families, and over all other persons within these areas except citizens of the Republic of Panama. THE JURISDICTION OVER SUCH CITIZENS AS WELL AS OFFENSES COMMITTED BY THEM TO REST WITH THE REPUBLIC OF PANAMA.

THE FOLLOWING TO BE DELETED:

It is understood and agreed by and between the parties hereto that within a reasonable time after the signing of this agreement the

Government of the Republic of Panama will enact and keep in force adequate legislation to insure the prosecution, and severe punishment in case of conviction, of all citizens of the Republic of Panama for offences committed within the said areas and conferring jurisdiction for the trial of offenders upon the superior courts of the said Republic to the exclusion of all inferior courts of the said Republic. It is further understood and agreed that if this Article Fourth does not prove satisfactory for the maintenance, sanitation or efficient operation of the Canal or for its effective protection, the United States reserves the right to request of the Republic of Panama the exclusive jurisdiction over the above-described areas.

FIFTH. The United States shall take such measures as may be necessary to protect from injury by aircraft of the United States persons and property passing over or upon said National Highway.

SIXTH. The Republic of Panama covenants that the United States shall peaceably hold and enjoy the said areas during the said term without any interruption whatsoever by the Republic of Panama or any person claiming under the Republic of Panama.

SEVENTH. All buildings and other improvements erected upon said areas by the United States shall be and remain the property of the United States and may be removed therefrom by the United States prior to the expiration of this lease. In the event of damage or destruction of

said buildings and improvements from any cause, there shall be no obligation on the part of the United States or the Republic of Panama to rebuild or repair such damage or destruction; or for the United States to return upon the expiration of this lease, the premises in the condition in which they were when the United States entered into possession.

EIGHTH. The Republic of Panama covenants that the above described areas of land and property of the United States therein; military and civilian personnel of the United States and their families within said areas and their property having its situs within such areas, shall be exempt from all forms of taxation, assessment and levy by the Republic of Panama during the term of this lease.

NINTH. The Republic of Panama shall not, without consent of the United States, permit the erection or maintenance of any aerial lines or other obstructions constituting hazards to flying in proximity to said areas or enact any legislation curtailing or restricting the United States in the use of said areas.

TENTH. The price of rental for the entire stated periods shall be _____, which the United States Government shall pay so soon as a decree-law sanctioning this agreement shall have been proclaimed by the President of the Republic of Panama and published in the Official Gazette.

THE FOLLOWING TO BE DELETED

ELEVENTH. No Member of or Delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any

share or part of this lease or to any benefit to arise therefrom. Nothing, however, herein contained shall be construed to extend to any incorporated company, if the lease be for the general benefit of such corporation or company.

Done at Panama, in duplicate, this _____ day of _____,
Nineteen hundred and forty.

DRAFT OF AGREEMENT

September 30, 1941.

WHEREAS on March 2, 1936 the Governments of Panama and of the United States of America signed a General Treaty of Friendship and Cooperation, which Treaty is now in force, and,

WHEREAS the Treaty mentioned above contains the following articles designated as Articles II and X:

"ARTICLE II

"The United States of America declares that the Republic of Panama has loyally and satisfactorily complied with the obligations which it entered into under Article II of the Convention of November 18, 1903, by which it granted in perpetuity to the United States the use, occupation and control of the zone of land and land under water as described in the said Article, of the islands within the limits of said zone, of the group of small islands in the Bay of Panama, named Perico, Naos, Culebra and Flamenco, and of any other lands and waters outside of said zone necessary and convenient for the construction, maintenance, operation, sanitation and protection of the Panama Canal or of any auxiliary canals or other works, and in recognition thereof the United States of America hereby renounces the grant made to it in perpetuity by the Republic of Panama of the use, occupation and control of lands and waters, in addition to those now under the jurisdiction of the United States of America outside of the zone as described in Article II of the aforesaid Convention, which may be necessary and convenient for the construction, maintenance, operation, sanitation and protection of the Panama Canal or any auxiliary canals or other works necessary and convenient for the construction, maintenance, operation, sanitation and protection of the said enterprise.

"While both Governments agree that the requirements of further lands and waters for the enlargement of the existing facilities of the Canal appears to be improbable, they nevertheless

recognize, subject to the provisions of Articles I and X of this Treaty, their joint obligation to insure the effective and continuous operation of the Canal and the preservation of its neutrality, and consequently, if, in the event of some new unforeseen contingency, the utilization of lands or waters additional to those already employed should be in fact necessary for the maintenance, sanitation or efficient operation of the Canal or for its effective protection, the Governments of the United States of America and the Republic of Panama will agree upon such measures as it may be necessary to take in order to insure the maintenance, sanitation, efficient operation and effective protection of the Canal, in which the two countries are jointly and vitally interested.

"ARTICLE X

"In case of an international conflagration or the existence of any threat of aggression which would endanger the security of the Republic of Panama or the neutrality or security of the Panama Canal, the Governments of the United States of America and the Republic of Panama will take such measures of prevention and defense as they may consider necessary for the protection of their common interests. Any measures, in safeguarding such interests, which it shall appear essential to one Government to take, and which may affect the territory under the jurisdiction of the other Government, will be the subject of consultation between the two governments."

and

WHEREAS both Governments agree that an "unforeseen contingency" of the nature contemplated in the second paragraph of Article II as above quoted has unfortunately come to pass and both Governments recognize the existence of an "international conflagration" and of a "threat of aggression" within the meaning of Article X as above quoted, and that, as a consequence thereof, the security of the Canal is today threatened,

THEREFORE, The Undersigned

.....

conscious of their joint obligation to take all measures required for the effective protection of the Canal in which they are jointly and vitally interested, have consulted together and have agreed as follows:

ARTICLE I

The Republic of Panama, mindful of its obligations in accordance with Articles II and X of the Treaty of March 2, 1936 grants to the United States the temporary use of the following areas of land for defense purposes:

.....

These lands shall be evacuated by the United States and shall revert to Panama as soon as both Governments agree that conditions no longer warrant the application of Articles II and X of the Treaty of 1936.

Subject to arrangement with the military authorities of the United States, the national authorities of the Republic of Panama shall have access to the above areas.

ARTICLE II

The grant mentioned in the foregoing article shall include the right to use the waters adjacent to the said areas of land and to improve and deepen the entrances thereto and the anchorage in such places, as well as to perform in-on the said areas of land all the works that may be necessary in connection with the effective protection of the Canal. This gives no right to commercial exploitation or utilization of the soil or subsoil, or of adjacent beaches and streams.

ARTICLE III

Military and naval aircraft of Panama shall be authorized to land at and take off from the airports established within the areas described in Article I. Similarly, military and naval aircraft of the United States shall be authorized to use military and naval air ports established by the Republic of Panama. The regulations covering such reciprocal use shall be embodied in an agreement to be negotiated by the appropriate authorities of the two countries.

ARTICLE IV

The Republic of Panama retains its sovereignty over the areas of land and water in question and the air space thereover, as well as complete jurisdiction in civil matters, provided, however, that during the period of temporary occupation contemplated by this agreement, the Government of the United States shall have complete use of such areas and exclusive jurisdiction in all respects over the civil and military personnel of the United States situated therein, and their families, and shall be empowered, moreover, to exclude such persons, as it sees fit, without regard to nationality, from these areas; to arrest, try and punish all persons, who, in such areas, maliciously commit any crime against the safety of the military installations therein, and to arrest and deliver to authorities of the Republic of Panama those charged with the commission of other crimes. In no case will the death penalty be imposed on any

Panamanian citizen.

ARTICLE V

The Republic of Panama and the United States reiterate their understanding of the temporary character of the occupation of the defense sites covered by this agreement. The United States fully recognizes the burden which the occupation of the sites represents for Panama, and will evacuate the sites as soon as the existence of the conditions defined in Articles II and X of the Treaty of 1936 as expressed in Article I shall cease to exist.

ARTICLE VI

All the buildings and other structures which are erected on the said areas of land by the United States shall be the property of the United States and may be removed by the latter before the expiration of this agreement. In case of damage to or destruction of the said buildings and structures due to any causes whatsoever, there shall be no obligation on the part of the United States or the Republic of Panama to rebuild or to repair such damage or destruction. The United States is not obliged to turn over to Panama the property at the expiration of this lease in the condition in which it was at the time of the completion of its construction nor is the Republic of Panama obliged to allow any compensation to the United States whatsoever for the improvements made on the said property or for the buildings or structures left thereon, all of which shall become the property

of the Republic of Panama upon the reversion to Panamanian jurisdiction of the areas where the structures have been built.

ARTICLE VII

The United States declares that it is its intention so long as the United States is not involved in war to limit the garrisons at the auxiliary bases, except at Rio Hato, to an approximate total of twenty-five men and at the other defense sites as specified in this agreement to approximately twenty men. It is, however, the understanding of both Governments that these arrangements remain subject to such changes as may be necessary in accordance with the effective defense needs of the Canal.

ARTICLE VIII

The areas of land described in Article I, the property of the United States situated therein, and the military and civilian personnel of the United States and families thereof who live in the said areas, shall be exempt from any tax, imposts or other charges of any kind by the Republic of Panama or its political subdivisions during the term of this agreement.

ARTICLE IX

The United States shall construct and shall bear the cost in full, until their completion, of the highways described below, under the conditions and with the materials specified:

* * * * *

ARTICLE X

All roads constructed by the United States in the territory under the jurisdiction of the Republic of Panama shall be under the jurisdiction of Panama. As to those roads constructed by the United States for the purpose of giving access to any defense site, Panama grants to the military authorities of the United States the right to restrict or prohibit public travel on such roads within a reasonable distance from such sites if such restriction or prohibition is necessary to the military protection of such sites.

ARTICLE XI

The Government of the United States of America, when constructing the air bases and airports on any of the sites specified in this agreement, shall take into consideration, in addition to the requirements of a technical order for the safety thereof, the regulations on the matter as have been or may be promulgated by the joint Aviation Board.

The Republic of Panama shall not permit, without reaching an agreement with the United States, the erection or maintenance of any aerial lines or other obstructions which may constitute a danger for persons flying in the vicinity of the areas intended for air bases or airports. If, in constructing the said air bases and airports, it should be necessary to remove lines of wire already strung because of their constituting an obstacle thereto, the Government of the United States

shall pay the costs of the removal and new installations elsewhere which may be occasioned.

ARTICLE XII

The Government of the United States agrees to take all appropriate measures to prevent articles imported for consumption within the areas referred to in Article I from passing to any other territory of the rest of the Republic except upon compliance with Panamanian fiscal laws.

ARTICLE XIII

The sites described in Article I consist both of lands belonging to the Republic of Panama and of lands to which private persons have title. In the case of the public lands, the annual rental under this contract to be paid by the Government of the United States to the Republic of Panama will consist of one balboa for all the areas; in the case of the private lands which the Government of Panama shall secure and grant to the United States a fair and adequate annual rental to be agreed upon by both Governments will be paid by the Government of the United States to the Government of Panama.

ARTICLE XIV

The provisions of this Agreement shall be terminated at any time upon the mutual consent of the signatory parties.

ARTICLE XV

Signed in Panama in duplicate in both English and Spanish this

_____ day of _____ 1941.

On behalf of the Government of the United States of America:

_____;

on behalf of the Government of the Republic of Panama;

_____.

DRAFT OF AGREEMENT

(As of March 27, 1942.)

The Governments of the Republic of Panama and of the United States of America, conscious of their joint obligation, as expressed in the provisions of the General Treaty of Friendship and Cooperation, concluded March 2, 1936, to take all measures required for the effective protection of the Panama Canal in which they are jointly and vitally interested, have consulted together and have agreed as follows:

ARTICLE I.

The Republic of Panama grants to the United States the temporary use for defense purposes of the lands referred to in the Memorandum attached to this Agreement and forming an integral part thereof. These lands shall be evacuated and the use thereof by the United States of America shall terminate one year after the date on which the definitive treaty of peace which brings about the end of the present war shall have entered into effect. If within that period the two Governments believe that, in spite of the cessation of hostilities, a state of international insecurity continues to exist which makes vitally necessary the continuation of the use of any of the said defense bases or areas, the two Governments shall again enter into mutual consultation and shall conclude the new agreement which the circumstances require.

The national authorities of the Republic of Panama shall have

adequate facilities for access to the defense sites mentioned herein.

ARTICLE II.

The grant mentioned in the foregoing article shall include the right to use the waters adjacent to the said areas of land and to improve and deepen the entrances thereto and the anchorage in such places as well as to perform in/on the said areas of land all the works that may be necessary in connection with the effective protection of the Canal. This gives no right to commercial exploitation or utilization of the soil or subsoil, or of adjacent beaches and streams.

ARTICLE III.

Military and naval aircraft of Panama shall be authorized to land at and take off from the airports established within the areas referred to in Article I. Similarly, military and naval aircraft of the United States shall be authorized to use military and naval airports established by the Republic of Panama. The regulations covering such reciprocal use shall be embodied in an agreement to be negotiated by the appropriate authorities of the two countries.

ARTICLE IV.

The Republic of Panama retains its sovereignty over the areas of land and water mentioned in the Memorandum referred to in Article I and the air space thereover, as well as complete jurisdiction in civil matters, provided, however, that during the period of temporary occupation

contemplated by this agreement, the Government of the United States shall have complete use of such areas and exclusive jurisdiction in all respects over the civil and military personnel of the United States situated therein, and their families, and shall be empowered, moreover, to exclude such persons as it sees fit without regard to nationality, from these areas, without prejudice to the provisions of the second paragraph of Article I of this Agreement, and to arrest, try and punish all persons who, in such areas, maliciously commit any crime against the safety of the military installations therein; provided, however, that any Panamanian citizen arrested or detained on any charges shall be delivered to the authorities of the Republic of Panama for trial and punishment.

ARTICLE V.

The Republic of Panama and the United States reiterate their understanding of the temporary character of the occupation of the defense sites covered by this Agreement. Consequently, the United States, recognizing the importance of the cooperation given by Panama in making these temporary defense sites available and also recognizing the burden which the occupation of these sites imposes upon the Republic of Panama, expressly undertakes the obligation to evacuate the lands to which this contract refers and to terminate completely the use thereof, at the latest within one year after the date on which the definitive treaty of peace which brings about the cessation of the present war, shall have entered into

effect. It is understood, as has been expressed in Article I, that if within this period the two Governments believe that in spite of the cessation of hostilities, a state of international insecurity continued to exist which makes vitally necessary the continuation of the use of any of the said defense bases or sites, the two Governments shall again enter into mutual consultation and shall conclude the new agreement which the circumstances require.

ARTICLE VI.

All the buildings and structures which are erected by the United States in the said areas shall be the property of the United States, and may be removed by it before the expiration of this Agreement. Any other buildings or structures already existing in the areas at the time of occupation shall be available for the use of the United States. There shall be no obligation on the part of the United States herein or the Republic of Panama to rebuild or repair any destruction or damage inflicted from any cause whatsoever on any of the said buildings or structures owned or used by the United States in the said areas. The United States is not obliged to turn over to Panama the areas at the expiration of this lease in the condition in which they were at the time of their occupation, nor is the Republic of Panama obliged to allow any compensation to the United States for the improvements made in the said areas or for the buildings or structures left thereon, all of which shall become the property of the

Republic of Panama upon the termination of the use by the United States of the areas where the structures have been built. (Consideration of the change proposed by Panama in Note D. P. No. 3239 of March 6, 1942, for the phrase beginning "there shall be no obligation . . ." in the seventh line of Article VI above must await agreement upon Article XII.)

ARTICLE VII.

The areas of land referred to in Article I, the property of the United States situated therein, and the military and civilian personnel of the United States and families thereof who live in the said areas, shall be exempt from any tax, imposts or other charges of any kind by the Republic of Panama or its political subdivisions during the term of this Agreement.

ARTICLE VIII.

The United States shall complete the construction at its own expense of the highways described below, under the conditions and with the materials specified:

* * * * *

ARTICLE IX.

All roads constructed by the United States in the territory under the jurisdiction of the Republic of Panama shall be under the jurisdiction of Panama. As to those roads constructed by the United States for the purpose of giving access to any defense site, Panama grants to the military authorities of the United States the right to restrict or prohibit

public travel on such roads within a reasonable distance from such sites if such restriction or prohibition is necessary to the military protection of such sites. It is understood that such restriction or prohibition is without prejudice to the free access of the inhabitants established within the restricted areas to their respective properties.

ARTICLE X.

The Government of the United States of America, when constructing the air bases and airports on any of the sites referred to in Article I, shall take into consideration, in addition to the requirements of a technical order for the safety thereof, the regulations on the matter as have been or may be promulgated by the joint Aviation Board.

The Republic of Panama shall not permit, without reaching an agreement with the United States, the erection or maintenance of any aerial lines or other obstructions which may constitute a danger for persons flying in the vicinity of the areas intended for air bases or airports. If, in constructing the said air bases and airports, it should be necessary to remove lines of wire already strung because of their constituting an obstacle thereto, the Government of the United States shall pay the costs of the removal and new installation elsewhere which may be occasioned.

ARTICLE XI.

The Government of the United States agrees to take all appropriate measure to prevent articles imported for consumption within the areas

referred to in Article I from passing to any other territory of the rest of the Republic except upon compliance with Panamanian fiscal laws. Whenever it is possible, the provisioning and equipping of the bases and their personnel will be done with products, articles and foodstuffs coming from the Republic of Panama, provided they are available at reasonable prices.

ARTICLE XII.

(Panama agrees to annual rental of B. 1.00 for all the public lands. No agreement as yet regarding rental for private lands.)

ARTICLE XIII.

The provisions of this Agreement may be terminated upon the mutual consent of the signatory parties even prior to the expiration thereof in conformity with Articles I and V above, it being understood also that any of the areas to which this Agreement refers may be evacuated by the United States and the use thereof by the United States terminated prior to that date.

ARTICLE XIV.

Signed in Panama in duplicate in both English and Spanish this

_____ day of _____ 1942.

On behalf of the Government of the United States of America:

_____;

on behalf of the Government of the Republic of Panama: _____

_____.

Excellency:

I have the honor to refer to the memorandum which the Ambassador of Panama left with the President of the United States on February 18, 1941 and to the Department's memoranda of July 8, July 18, and December 2, 1941 in reply thereto, regarding twelve points in the relations between Panama and the United States with respect to which positive action by this Government was requested.

Subsequent negotiations have happily led to agreement between our two Governments on all these points, I understand, in the form set forth below:

His Excellency

Senor Don Ernesto Jaen Guardia

Ambassador of Panama.

C O P Y

1. The Waterworks at Colon and Panama.

When the authority of the Congress of the United States shall have been obtained therefor, the Government of the United States will transfer to the Government of the Republic of Panama free of cost all of its rights, title and interest in the system of sewers and waterworks in the cities of Panama and Colon.

* * * * *

2. Railroad Lots in Panama and Colon.

The President will seek the authority of the Congress of the United States to transfer to the Republic of Panama free of cost all of its rights, title and interest to the lands belonging to or of which the Panama Railroad Company now has usufruct in the cities of Panama and Colon which are not currently or prospectively needed for the maintenance, operation, sanitation and protection of the Panama Canal, or of its auxiliary works, or for the operation of the Panama Railroad.

* * * * *

3. The commissaries and post exchanges.

The Government of the United States and the Government of the Republic of Panama, in accordance with the exchange of notes accompanying the Treaty between them signed at Washington on March 2, 1936, "will continue to cooperate in all proper ways . . . to prevent smuggling into territory under the jurisdiction of the Republic of goods imported into

the Canal Zone" and for that purpose it is agreed that the Governor of the Panama Canal will appoint a representative to meet with a representative appointed by the Government of the Republic in order that regular and continuing opportunity may be afforded for mutual conference and helpful exchange of views bearing on this question.

4. The construction of a tunnel or bridge to allow transit under or over the Canal at Balboa.

The Government of the United States is well aware of the importance to the Government and people of Panama of constant and rapid communication across the Panama Canal at Balboa and is willing to agree to the construction of a tunnel under or a bridge over the Canal at that point, when the present emergency has ended. Pending the carrying out of this project, the Government of the United States will give urgent attention, consistent with the exigencies of the present emergency, to improving the present ferry service.

5. Jurisdiction over roads and highways in Panamanian Territory.

The United States shall complete the construction at its own expense of the highways described below, under the conditions and with the materials specified:

Highway A-3. (Shall extend from Pina on the Atlantic side of the Isthmus to the Canal Zone boundary at the Rio Providencia. It shall be at least ten feet in width and constructed of macadam.)

Extension of the Trans-Isthmian Highway following the line of the P-8 road. (Specifications shall be the same as for the Trans-Isthmian

Highway. The extension shall start at Madrinal, by-passing Madden Dam by a bridge over the Chagres River below the Dam to connect with the P-8 road at Roque and shall extend the P-8 road from Pueblo Nuevo into Panama City.) It is understood that the pavement of the bridge over the Chagres River will be located above the elevation established as the Canal Zone boundary.)

Upon the completion of these highways, the Government of the United States will assume the responsibility for any necessary post construction operations, that is, the performance of work necessary to perfect the original construction until such time as the roads become stabilized.

The Government of Panama guarantees that all roads under its jurisdiction used periodically or frequently by the armed forces of the United States will be well and properly maintained at all times. The Government of Panama will ask for the cooperation of the Government of the United States in the performance of repair and maintenance work on the said roads whenever it deems necessary such cooperation in order to fulfill the aforesaid guarantee such as, for example, in the case of emergencies or situations which require prompt action.

The Government of the United States will bear one-third of the total annual maintenance cost of all Panamanian roads used periodically or frequently by the armed forces of the United States, such cost to

cover the expense of any wear or damage to roads caused by movements related to defense activities. The amount payable by the United States will be based upon accounts presented annually by the Republic of Panama giving in detail the total annual expenditures made by it on each highway used periodically or frequently by the armed forces of the United States and upon accounts similarly presented by the Government of the United States giving in similar detail the expenditures made by that Government in response to requests from the Government of Panama as set forth above. In the event that the Government of the United States has rendered cooperation in the maintenance of the said roads, the expenses incurred by that Government in so doing will be credited toward the share of the United States in the total maintenance of the roads under the jurisdiction of Panama.

In consideration of the above obligations and responsibilities of the United States, the Government of the Republic of Panama grants the right of transit for the routine movement of the members of the armed forces of the United States, the civilian members of such forces and their families, as well as animals, animal-drawn and motor vehicles employed by the armed forces or by contractors employed by them for construction work or others whose activities are in any way related to the defense program, on roads constructed by the United States in territory under the jurisdiction of the Republic of Panama and on the other national

highways which place the Canal Zone in communication with the defense areas and of the latter with each other. It should be understood that the United States will take at all times the precautions necessary to avoid, if possible, interruptions of transit in the Republic of Panama.

All roads constructed by the United States in the territory under the jurisdiction of the Republic of Panama shall be under the jurisdiction of Panama. As to those secondary roads constructed by the United States for the purpose of giving access to any defense site, Panama grants to the military authorities of the United States the right to restrict or prohibit public travel on such roads within a reasonable distance from such sites if such restriction or prohibition is necessary to the military protection of such sites. It is understood that such restriction or prohibition is without prejudice to the free access of the inhabitants established within the restricted areas to their respective properties. It is also understood that such restriction or prohibition is not to be exercised on any part of any main highway.

6. Labor for the Canal Zone.

The Government of the United States is aware of the immigration policies of the Republic of Panama as stated in Article XXIII of the Constitution of that Republic, promulgated on January 2, 1941 and, although jurisdiction over immigration into the Canal Zone rests solely with the Government of the United States, that Government will cooperate

to the extent feasible under present circumstances in meeting the expressed policy of Panama in this matter. Specifically, the Government of the United States will endeavor so far as practical to fill the needs for labor in the Canal Zone with classes of persons whose immigration is permitted by the Republic of Panama and will forbid the entry into the territory of the Republic, except as may be necessary on brief routine official business, of those persons whom Canal Zone authorities have found or may find it necessary to introduce into the Canal Zone but whose immigration into the Republic is prohibited by the Republic of Panama. Such persons will be repatriated when their services are no longer required.

7. Desire of the Panamanian Government that our military and Zone police be armed only with billies while in the territory of Panama.

The Government of the United States agrees that only the commissioned officers of the military police and the commissioned officers of the shore patrols of the United States when on duty in the cities of Panama and Colon may carry side arms. It agrees that members of the Canal Zone municipal police may not carry side arms of any sort while in the Republic of Panama, and similarly, the Government of the Republic of Panama will agree that members of the police of the Republic of Panama shall not carry side arms while in the Canal Zone, except when the latter pass through the Zone in transit to other territory of the Republic.

8. Provision of electrical current from the Alhajuela Dam for use in the Republic.

The Government of the United States agrees that electrical energy, whenever an excess beyond the needs of the United States is

available in commercial quantities at the generating station of the Panama Canal at Madden Dam, will be furnished upon request of the Panamanian Government, to the cities of Panama and Colon at a price and at points to be agreed upon between the two Governments.

9. The assumption by the United States of the entire cost of the Rio Hato Highway.

The Government of the United States will, after the necessary funds have been obtained by appropriation from the Congress, liquidate the credit of \$2, 500, 000 made available to the Republic of Panama by the Export-Import Bank for the construction of Panama's share of the Chorrera-Rio Hato road.

10. The moving of the railroad station at Panama.

The Government of the United States agrees to comply with the wishes of the Republic of Panama regarding the removal from their present site of the terminal facilities of the Panama Railroad in Panama including the station, yards and other appurtenances. This agreement, however, is subject to the making available without cost to the Government of the United States by the Republic of Panama of a new site deemed suitable for the purpose by the two Governments.

11. Desire of the Panamanian Government for an indemnity in case traffic is interrupted on account of our troop movements.

The Government of the United States is not prepared at this time to enter into any formal agreement regarding indemnities for the

interruption of traffic on the highways of the Republic of Panama. If, however, serious interruptions of traffic should occur, the Government of the United States will be pleased to examine in a friendly spirit any claims advanced by the Government of the Republic of Panama.

12. The desire of the Panamanian Government for three gasoline or oil tanks at Balboa.

The Government of the United States will make available to the Republic of Panama a right-of-way beginning in the port of Balboa and ending at the Canal Zone-City of Panama boundary at a point to be agreed upon by the two Governments for the construction of a petroleum pipeline. It will also agree that the facilities of the Panama Canal for discharging bulk petroleum products from ships berthed at Balboa and for the direction of such products into the pipeline above-mentioned would be made available in regular turn to the Republic of Panama at a reasonable cost. It should be understood that the Republic of Panama would bear the cost of the construction of the pipeline as well as pay for any damage which might accrue to the property of the United States as the result of the construction or maintenance thereof. The cost of pumping such petroleum products from Balboa to the Canal Zone-City of Panama boundary would be borne by the Republic of Panama which would install and maintain the necessary pumping facilities for the purpose.

I should appreciate it if Your Excellency would confirm my understanding of the agreement reached as set forth above.

Accept, Excellency, the renewed assurances of my highest
consideration.

Washington, D. C.
May 14, 1942.

711F.1914
RA:MMW:GH

AGREEMENTFOR THE LEASE OF DEFENSE SITES IN THE REPUBLIC OF PANAMA

The undersigned, Octavio Fabrega, Minister for Foreign Affairs of the Republic of Panama, and Edwin C. Wilson, Ambassador of the United States of America, acting on behalf of our respective Governments, for which we are duly and legally authorized, have concluded the following Agreement:

The Governments of the Republic of Panama and of the United States of America, conscious of their joint obligation, as expressed in the provisions of the General Treaty of Friendship and Cooperation, concluded March 2, 1936, to take all measures required for the effective protection of The Panama Canal in which they are jointly and vitally interested, have consulted together and have agreed as follows:

ARTICLE I.

The Republic of Panama grants to the United States the temporary use for defense purposes of the lands referred to in the Memorandum attached to this Agreement and forming an integral part thereof. These lands shall be evacuated and the use thereof by the United States of America shall terminate one year after the date on which the definitive treaty of peace which brings about the end of the present war shall have entered into effect. If within that period the two Governments believe that, in spite of the cessation of hostilities, a state of international insecurity continues to exist which makes vitally necessary the continuation of the use of any of the said defense bases or areas, the two Governments shall again enter into mutual consultation and shall conclude the new agreement which the circumstances require.

The national authorities of the Republic of Panama shall have adequate facilities for access to the defense sites mentioned herein.

ARTICLE II.

The grant mentioned in the foregoing article shall include the right to use the waters adjacent to the said areas of land and to improve and deepen the entrances thereto and the anchorage in such places as well as to perform in/on the said areas of land all the works that may be necessary in connection with the effective protection of the Canal. This gives no right to commercial exploitation or utilization of the soil or subsoil, or of adjacent beaches and streams.

ARTICLE III.

Military and naval aircraft of Panama shall be authorized to land at and take off from the airports established within the areas referred to in Article I. Similarly, military and naval aircraft of the United States shall be authorized to use military and naval airports established by the Republic of Panama. The regulations covering such reciprocal use shall be embodied in an agreement to be negotiated by the appropriate authorities of the two countries.

ARTICLE IV.

The Republic of Panama retains its sovereignty over the areas of land and water mentioned in the Memorandum referred to in Article I and the air space thereover, as well as complete jurisdiction in civil matters, provided, however, that during the period of temporary occupation contemplated by this Agreement, the Government of the United States shall have complete use of such areas and exclusive jurisdiction in all respects over the civil and military personnel of the United States situated therein, and their families, and shall be empowered, moreover, to exclude such persons as it sees fit without regard to nationality, from these areas, without prejudice to the provisions of the second paragraph of Article I of this Agreement, and to arrest, try and punish all persons who, in such areas, maliciously commit any crime against the safety of the military installations therein; provided, however, that any Panamanian citizen arrested or detained on any charges shall be delivered to the authorities of the Republic of Panama for trial and punishment.

ARTICLE V.

The Republic of Panama and the United States reiterate their understanding of the temporary character of the occupation of the defense sites covered by this Agreement. Consequently, the United States, recognizing the importance of the cooperation given by Panama in making these temporary defense sites available and also recognizing the burden which the occupation of these sites imposes upon the Republic of Panama, expressly undertakes the obligation to evacuate the lands to which the this contract refers and to terminate completely the use thereof, at the latest within one year after the date on which the definitive treaty of peace which brings about the cessation of the present war, shall have entered into effect. It is understood, as has been expressed in Article I, that if within this period the two Governments believe that in spite of the cessation of hostilities, a state of international insecurity continues to exist which makes vitally necessary the continuation of the use of any of the said defense bases or sites, the two Governments shall again enter into mutual consultation and shall conclude the new Agreement which the circumstances require.

ARTICLE VI.

All buildings and structures which are erected by the United States in the said areas shall be the property of the United States, and may be removed by it before the expiration of this Agreement. Any other buildings or structures already existing in the areas at the time of occupation shall be available for the use of the United States. There shall be no obligation on the part of the United States herein or the Republic of Panama to rebuild or repair any destruction or damage inflicted from any cause whatsoever on any of the said buildings or structures owned or used by the United States in the said areas. The United States is not obliged to turn over to Panama the areas at the expiration of this lease in the condition in which they were at the time of their occupation, nor is the Republic of Panama obliged to allow any compensation to the United States for the improvements made in the said areas or for the buildings or structures left thereon, all of which shall become the property of the Republic of Panama upon the termination of the use by the United States of the areas where the structures have been built.

ARTICLE VII.

The areas of land referred to in Article I, the property of the United States situated therein, and the military and civilian personnel of the United States and families thereof who live in the said areas, shall be exempt from any tax, imposts or other charges of any kind by the Republic of Panama or its political subdivisions during the term of this Agreement.

ARTICLE VIII.

* * * * *

[This article is copied verbatim from the first 7 paragraphs of point number 5 in the 12 Points regarding the relations of the United States and the Republic of Panama (See App. 5).]

ARTICLE IX.

* * * * *

[This article is copied verbatim from the final paragraph of point number 5 in the 12 Points regarding the relations of the United States and the Republic of Panama (See App. 5).]

ARTICLE X.

The Government of the United States of America, when constructing the air bases and airports on any of the sites referred to in Article I, shall take into consideration, in addition to the requirements of a technical order for the safety thereof, the regulations on the matter as have been or may be promulgated by the joint Aviation Board.

The Republic of Panama shall not permit, without reaching an agreement with the United States, the erection or maintenance of any aerial line or other obstructions which may constitute a danger for persons flying in the vicinity of the areas intended for air bases or airports. If, in constructing the said air bases and airports, it should be necessary to remove lines of wire already strung because of their constituting an obstacle thereto, the Government of the United States shall pay the costs of the removal and new installation elsewhere which may be occasioned.

ARTICLE XI.

The Government of the United States agrees to take all appropriate measures to prevent articles imported for consumption within the areas referred to in Article I from passing to any other territory of the rest of the Republic except upon compliance with Panamanian fiscal laws. Whenever it is possible, the provisioning and equipping of the bases and their personnel will be done with products, articles and foodstuffs coming from the Republic of Panama, provided they are available at reasonable prices.

ARTICLE XII.

The sites referred to in Article I consist both of lands belonging to the Government of the Republic of Panama and of privately owned lands.

In the case of the private lands, which the Government of Panama shall acquire from the owners and the temporary use of which shall be granted by it to the Government of the United States, it is agreed that the Government of the United States will pay to the Government of Panama an annual rental of fifty balboas or dollars per hectare for all such lands covered by this Agreement, the Government of Panama assuming all costs of expropriation as well as indemnities and reimbursements for buildings, cultivations, installations or improvements which may exist within the sites chosen.

In the case of public lands the Government of the United States will pay to the Government of Panama an annual rental of one balboa or dollar for all such lands covered by this Agreement.

ARTICLE XII (CONT.)

There are expressly excepted the lands situated in the Corregimiento of Rio Hato, designated by No. 12 in the attached Memorandum, it being understood that for this entire tract the United States Government will pay to the Government of Panama an annual rental of ten thousand balboas or dollars.

The rentals set out in this Article shall be paid in balboas as defined by the Agreement embodied in the exchange of notes dated March 2, 1936, referred to in Article VII of the Treaty of that date between the United States of America and Panama, or the equivalent thereof in dollars, and shall be payable from the date on which the use of the lands by the United States actually began, with the exception of the lands situated in the Corregimiento of Rio Hato designated by No. 12 in the attached Memorandum, rental for which shall commence January 1, 1943.

ARTICLE XIII.

The provisions of this Agreement may be terminated upon the mutual consent of the signatory parties even prior to the expiration thereof in conformity with Article I and V above, it being understood also that any of the areas to which this Agreement refers may be evacuated by the United States and the use thereof by the United States terminated prior to that date.

ARTICLE XIV.

This Agreement will enter into effect when approved by the National Executive Power of Panama and by the National Assembly of Panama.

Signed in Panama in duplicate in both English and Spanish this 18th day of May, 1942.

On behalf of the Government of the United States of America:

EDWIN C. WILSON
Ambassador Extraordinary and
Plenipotentiary of the United
States of America

On behalf of the Government of the Republic of Panama:

OCTAVIO FABREGA
Minister of Foreign Relations

Panama, May 18, 1942.

N313

Excellency:

With reference to the Agreement for the use of the defense sites signed today, I have the honor to confirm the understanding we have reached during the negotiations to the effect that in the event further defense sites should become necessary for the effective protection of the Canal, such sites, if agreed upon by both Governments, will be added to the Memorandum annexed to the Agreement signed today and will be subject to the same conditions and terms as the sites originally listed in the Memorandum.

Accept, Excellency, the renewed assurances of my highest consideration.

HExcellency

Enor Doctor Don Octavio Fabrega,
Minister for Foreign Affairs.

* * * * *

[Note No. 314 pertaining to the use of certain Army maneuver areas and Note No. 315 concerning the construction of United States Consulate facilities are omitted.]

* * * * *

[MEMORANDUM REGARDING THE DEFENSE SITES, ANNEXED TO THE AGREEMENT FOR THE LEASE OF THE SAID SITES AND FORMING AN INTEGRAL PART OF THAT AGREEMENT, consisting of the name, location, area, and description of 83 defense sites in the Republic, is omitted.]